密勒氏評論報

THE CHINA WEEKLY

REVIEW

Formerly Millard's Review

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STATUS OF THE AMERICAN NEWSPAPER SITUATION AT SHANGHAI!

IN last week's issue of the *Review* there appeared an article entitled, "The Greatest Need of the American Community at Shanghai," which called attention to the non-American control and management of *The China Press*, the daily newspaper in Shanghai which was started by American interests about a fifteen years ago, but which the Americans permitted to pass out of their hands about eight or nine years ago, and expressed the need for an American owned and controlled daily. Since the publication of this editorial in the *Review* last week, several inquiries have been received regarding the present ownership and mangement of the newspaper which, from the general standpoint of the Shanghai public, has been looked upon as the *American Paper*. To make a long story short, the controlling interest in *The China Press* was purchased about 1917 or 1918 by the late Edward Ezra, former head of the so-called Shanghai Opium Combine. Mr. Ezra was a British subject who had amassed a fortune commonly reported to be in the neighborhood of twenty million dollars, chiefly from the opium trade. When the British Government entered into a treaty with China which obligated British subjects to cease trading in opium, Mr. Ezra then invested in various Shanghai enterprises, including *The China Press*. His ownership of the American paper, however, did not become generally known in Shanghai commercial circles until about 1920, or shortly prior to his death.

UPON Mr. Ezra's death, his various properties went to his heirs, Mrs. Ezra and some minor children. The original value of the Ezra Estate, according to common report, was considerably lessened in the exchange and stock slump and liquidation which struck Shanghai about 1920-1921, and it became necessary to negotiate loans with Shanghai banks with the estate as security. Some portions of the estate such as the Astor House Hotel and other properties were sold at that time and an attempt was also made to sell *The China Press* to Chinese interests, but despite the fact that certain Chinese interests affiliated with the Kuomintang or Canton party are reported to have put up a considerable sum as bargain money, the deal did not go through. Sometime after this, Mrs. Ezra appointed her brothers, Theodore and Arthur Sopher, to manage the residue of the estate which consisted of business property in the down-town district of Shanghai, residence property in the French Concession and *The China Press*. This is approximately the situation which exists today. Late in 1923, owing to agitations in the American community regarding the non-American ownership and control of the paper, Messrs. J. Harold Dollar and Stirling Fessenden were invited to become members of the Board of Directors serving with Mr. Arthur Sopher, who occupied the position of Managing Director. In 1924 upon the recommendation of Messrs. Dollar and Fessenden, the staff of the paper was reorganized and a new editor and business manager appointed. A new staff was employed and a serious attempt made to bring the paper under the American aegis. That the plan finally failed, was referred to in a discussion of this subject in last week's issue of the *Review.* Mr. Dollar resigned from the directorate of the paper in the summer of 1925 and most of the American members of the staff resigned or had their services terminated by the management late in 1925 and early this year. It is understood that new members have been employed to take the places of those who resigned, but the ownership of the paper still rests with the Ezra Estate and its management and direction is in the hands of Messrs. Theodore and Arthur Sopher, one of them being registered as a British subject and the other as a French citizen.

IN last week's issue of the *Review* it was stated that the greatest need of the American community in Shanghai is *an American Owned and Edited Newspaper.* There are two ways of bringing this about: By purchasing *The China Press,* in case the present proprietors are willing to sell, or by starting a new paper. It is reported that some of the large newspaper syndicates in the United States have been looking in this direction with the idea of acquiring a newspaper property here and it is also reported that certain local American interests have the same matter under consideration. Regardless of which method is adopted, it is imperative that something be done shortly to provide Shanghai with an *American Owned And Managed Newspaper,* for obviously a newspaper such as *The China Press,* more than ninety percent of the stock of which is owned by non-American interests, cannot be expected to represent American ideas, ideals or policies, regardless of the sincerity of the desire of the owners to serve the American cause. This is no more possible than it would be for Americans here to publish a British or a French newspaper. It would be unfortunate to bring another foreign newspaper into this field, which is manifestly already overcrowded, but as stated in the preceding, it is imperative that the 4,000 American residents of Shanghai and the possibly equal number in the outports of the Yangtze Valley, should be provided with an *American Owned and Edited Newspaper.*

“IT ALL DEPENDS ON WHAT YOU DO AT SHANGHAI”

THE above was the reply of a foreign resident of a nearby Chinese city when asked regarding the present political situation and prospects for peace during the month of May. “It all depends on what you do at Shanghai,” was his reply. “Shanghai is the great danger spot in China and if the month of May passes off quietly at Shanghai, there is little likelihood of trouble elsewhere in China.” Practically the same sentiment was echoed a few days ago by Dr. C. C. Wang, one of the Chinese members of the British Boxer Indemnity Commission, when he stated before a Shanghai audience of foreigners, “that Shanghai could not segregate itself from China either by treaty or other barrier and whatever happens in China must have an effect here and whatever happens in Shanghai must have its reaction in China.” The Chairman of the Shanghai Municipal Council in a recent address before a Chinese audience expressed essentially the same thing when he declared, “What Shanghai thinks today, China will think tomorrow.” In other words Shanghai constitutes a sort of barometer of Chinese-foreign relations and whatever is done here immediately affects the relations of Chinese and foreigners throughout China whether the point of contact is a large city such as Canton, Hankow or Tientsin or one of the smaller places such as Nanking, Hangchow, Chengtu or Haichow. Therefore the responsibility which rests upon the citizens of Shanghai is great and it rests upon the individual citizen just as much as it rests upon the Municipal authorities or the social and business organizations such as the clubs and chambers of commerce.

RAILROADS AND BOXER INDEMNITIES!

MARSHAL WU PEI-FU, leading militarist of the Chihli Party, is reported to have made a strong plea to the British Boxer Indemnity Commission now in China, to devote the balance of the British Share of the Indemnity to the construction of railroads, mentioning in particular the completion of the Canton-Hankow line and the Szechuen line. Then after the completion of these greatly needed railroads, Marshal Wu would have the ensuing profits go toward the development of education. We agree with Marshal Wu that railroads are among the greatest needs of modern China, but Marshal Wu, being a militarist, naturally overloooks the important element of how to guarantee that the railway profits would go toward education. At the present time every railway in China is suffering from military domination and exploitation. One of the Shanghai newspapers recently published statistics showing that the two trunk-line roads connecting the Yangtsze Valley with North China, the Tientsin-Pukow and Peking-Hankow lines, have been closed down for more than half the time in the past twenty months. Every railway in China, with the possible exception of the Shanghai-Nanking and Shanghai-Hangchow lines over which the British still exercise considerable control, are defaulting on their obligations including bonded indebtedness and material supply accounts. They are not defaulting because of bad business, but purely because some militarist along the line is embezzling the money.

THE BALANCE of the British Boxer Indemnity Fund amounts to approximately G.$50,000.000. This would construct a considerable mileage of new railroads, but under present conditions, the only persons who would benefit by this, would be the manufacturers who deal in railway supplies and the militarists who would happen to fall heir to the railroads after they had been completed. China now has about 7,000 miles of railway. They were built with money borrowed by the Chinese Government from foreign capitalists. These railways belong to the Chinese people and should be used for their service, but for the past dozen years or so have been the playthings of the Chinese militarists who commander the rolling stock, use it for transporting their mercenary armies or for living quarters for the soldiers. What little revenue that results from partial operation is seized by the militarists and used for recruiting more troops and purchasing ammunition for the purposeless internal wars. A Chinese banker recently in discussing the state of the Chinese Government railways, made the statement that the railroads as now controlled by the militarists are a curse rather than a benefit to the Chinese people.

IN connection with this suggestion of Marshal Wu Pei-fu that the remaining balance of the British Boxer Indemnity should be used for railroad construction, it might be of interest and some value to refer to the hearing which was conducted by the committee on Foreign Affairs of the U. S. House of of Representative when the return of the final balance of the American share of the Boxer indemnity was under consideration. Persons interested in various propositions including a conservancy scheme, appeared before the Congressional Committee which had charge of the matter of returning the money, amounting to about G. $6,000,000. The conservancy scheme had to do with the reclamation of a large semi-flooded district, known as the Hwai Valley in northern Kiangsu Province. After the advocates of the reclamation scheme had thoroughly described the proposition to the members of the Committee, one of the Congressman remarked, "If this conservancy scheme is such a desirable proposition, why is it not possible for the Chinese Government to borrow private capital for the carrying out of the improvement?" Obviously, the only answer to this question was a confession of the fact that the Chinese Government, dominated as it is by military factions, has no credit to borrow money either at home or abroad. The final result was that when Congress decided to return the remainder of the American share of the Indemnity, it was specified that it should be used for educational purposes and its expenditure should be administered by a joint board or commission composed of Chinese and Americans.

IT is not our purpose to argue the respective merits of railroads vs. education: China needs both, but since the matter of constructing railroads is purely a commercial and financial proposition, this matter will take care of itself just as soon as Marshal Wu Pei-fu and Chang Tso-ling and the rest of the tribe of militarists and politicians provide China with a stable government. There is no place in the world where railroads can be more profitably operated than in China, providing stable political conditions prevail. It is also a truism that there is sufficient capital in China to construct some of the most needed lines, such as the Hankow-Canton line, if the Chinese politicians could provide their country with a stabilized government that the people would have confidence in. At the present time practically all of the capital in China has been driven to treaty ports where it finds security under foreign flags. As long as the Chinese merchants and bankers lack confidence in their own government from the standpoint of investing in public enterprises such as railroads and reclamation projects, obviously it cannot be expected that foreigners will invest any money. It is quite possible that Marshal Wu Pei-fu might maintain stable conditions for the *construction of a railroad in his territory* if the British Boxer Indemnity Commission should decide to devote the money to that purpose. But it would be an entirely different proposition when it came to guaranteeing that the revenues resulting from the operation of that road, would go toward the support of educational projects. Anyone familiar with conditions in China, knows that Marshal Wu would not hesitate a minute, should the possession and control of that road become necessary in connection with some military campaign.

JUDGE PURDY'S DECISION IN THE EZRA LIBEL ACTION

SOMETIME during 1924 a cargo of opium consisting of 180 cases valued at more than a million dollars was shipped on a Japanese boat from Constantinople. The shipment was accompanied by a bill of lading which showed the destination of the cargo to be Vladivostok, Siberia. While the ship stopped over at Shanghai this cargo of opium was removed and some of it smuggled into Shanghai and placed on sale at a shop located on Canton Road in the International Settlement. A Russian named Dadunashvilli and a local Shanghai resident named N. E. B. Ezra, learned in some way that a portion of this million-dollar cargo of opium was in Shanghai and was being secretly sold. They instituted two actions in the International Mixed Court against the Chinese shop-keepers having possession of the opium, one suit being a criminal prosecution for larceny and the other a civil suit whereby it was intended to recover the value of the opium, Dadunashvilli and Ezra claiming to be the owners of the drug. As a result of these actions the Shanghai Municipal police raided the Canton Road opium shop and seized about $50,000 worth of the drug which was taken to the Mixed Court and confiscated. In connection with the raid, the police obtained possession of a large amount of literature, translation of which disclosed the existence of an international opium ring with branches in the Near East, China, Japan and even in Switzerland. It was an interesting coincidence that this case came up in the International Mixed Court at Shanghai at the same time that the International Anti-Opium and Anti-Narcotics Conferences were being held under the auspices of the League of Nations at Geneva, or during November and December, 1924 and January, 1925.

WHEN the proceedings instituted in the International Mixed Court by Messrs. Dadunashvilli and Ezra came up for hearing they happened to fall on the day when Mr. A. J. Martin, British Assessor was on the bench. Mr. Ezra, through his attorney, immediately asked that the cases be remanded for hearing before the Spanish Assessor on the grounds that Ezra was a Spanish subject. The British Assessor expressed surprise at this declaration, and acting on the ground that *Ezra was British* demanded that the case be proceeded with. This, Ezra refused to do until he had an opportunity to consult with Mr. J. Palencia, Spanish Consul. Mr. Ezra was then placed under heavy bond and detained at the Mixed Court to insure that he would proceed with the cases, from which he now attempted to withdraw. In the mean time his Russian partner, Mr. Dadunashvilli, suddenly left Shanghai and is supposed to have secretly sailed for Vladivostok. As stated previously this all happened at the time the International Anti-Opium and Anti-Narcotics Conferences were in session at Geneva. Dr. Sao-ke Alfred Sze, Chinese Minister to the United States, who was chairman of the Chinese delegation at the Geneva Conference, in the course of the proceedings delivered an address in which he declared that China's efforts to prevent opium smuggling were seriously handicapped by foreigners in China taking advantage of technicalities in their extraterritorial rights, a report of which was cabled to The Far East and published in the foreign and Chinese press.

SINCE the Shanghai opium smuggling case had a bearing on the statement made by the Chinese Chief Delegate at Geneva, *The China Press*, Shanghai newspaper, published an editorial calling attention to this fact. The editorial, which was written by Mr. J. B. Powell, at that time editor of the paper, but who has since resigned, was as follows:

> "During the course of the Geneva Opium Conference, Dr. Sao-Ke Alfred Sze, Chinese Minister to the United States and head of the Chinese Delegation at the Conference, stated in the course of an address that the Chinese Government was handicapped in its efforts to prevent the smuggling of opium into China, by foreigners taking advantage of technicalities in their extraterritorial rights. When this statement was cabled to the Far East, there was a great outcry on the part of a certain section of the foreign press to the effect that the Chinese Minister was camouflaging the real situation and taking advantage of the occasion to put over a plea for the abolition of the extraterritorial treaties. Now in spite of the real motives of Dr. Sze, we have a case at present before the public in Shanghai which indicates that the Chinese Delegate was on the right track. In this case, a man, who previously had been a British subject, was alleged to have had some connection with an opium case, but when he appeared before the International Mixed Court, he announced that he had changed his nationality to Spanish and refused to discuss his nationality until he had interviewed the Spanish Consul. Whether Spanish law is more lenient on this subject than is British law, we do not know, but at least to an outsider it appears strange that a foreigner could switch his nationality about the map of the world in this way, and do it almost overnight, so to speak."

MR. EZRA immediately filed suit for libel, alleging damages to the extent of Tls. 50,000. Since *The China Press*, although non-American owned, is registered in the State of Delaware, the case was heard last week before Judge Milton D. Purdy of the United States Court for China. Judge Purdy ruled that the editorial was not libelous and judgment was entered for the defendant with costs. In view of the importance of this case from the standpoint of its bearing on the opium traffic, it is of interest to reprint Judge Purdy's decision delivered orally in Court, which was as follows:

"This is an act for libel in which the plaintiff seeks to obtain the sum of 50,000 Shanghai taels as damages from the defendant (*The China Press*) by reason of the publication of an item in the defendant's newspaper on February 15, 1925, which, the complaint states, is of a character, and in paragraph 3 of the complaint specifically alleges that the publication intended to and did stigmatize the plaintiff. The defendant denies the charge. The evidence has covered rather a wide range, but when it is considered in its broadest aspects, it all comes down to this situation, in my judgment: That some time in the fall of 1924 the plaintiff became aware that certain opium had been consigned from Constantinople to Russia, and that it had either been stolen or taken ashore while the Japanese vessel carrying it passed along the coast of China. Apparently a Russian, who claimed to be the owner of the opium and also claimed to have a bill of lading, came to Shanghai in July, 1924, to make an investigation. While here, he met the plaintiff and as a result the two agreed that an investigation be made to ascertain what people in Shanghai had secured the opium in question.

Two Suits Brought By Plaintiff

"A contract was drawn up between the plaintiff and the Russian, whereby the plaintiff was to receive a certain per cent of the amount recovered. After an investigation extending over 2 or 3 months, the evidence shows that in the month of January, 1925, after having taken the advice of counsel, two proceedings were instituted by the plaintiff in the Mixed Court in Shanghai against certain Chinese who had stolen the opium. One of these suits was a criminal prosecution for larceny, and the other a civil suit whereby it was intended to recover the value of the opium. After filing these, or about the time of filing a search warrant was issued, and in serving that search warrant a large quantity of opium was found in the possession of the Chinese. This opium was valued at from $45,000 to $50,000, the evidence shows. As a result of that investigation independent suits or prosecutions were instituted by the local police of Shanghai against the Chinese, charging them with stealing opium. As I understand it, there was considerable publicity about these suits, not only among the public at large, but also in the public press, and also as to the proceedings under the search warrant and the prosecutions instituted by the local authorities against the Chinese for having the opium illegally in their possession. At the time that these cases first came before the Mixed Court the question arose as to what character of court should try these cases, especially those of Ezra.

Nationality Question Quickly Arises

"There was a question as to whether Ezra was a British subject. Ezra made the claim that he had renounced his British citizenship several years before, and at that time was under the protection of Spanish law, and he refused to proceed with the cases until he had an opportunity to consult with the Spanish consul.

"This all occasioned some publicity and a great deal of talk, among the public generally, and in the press. The two suits were not proceeded with because the plaintiff would not consent to go on with the case unless he had a Spanish assessor. After these prosecutions against the Chinese, and their conviction for having illegally had in their possession the opium, and while these were before the Mixed Court and were attracting wide public discussion, the editor of the defendant's paper (*The China Press*), Mr. J. B. Powell, wrote an editorial which appeared in the issue of *The China Press* on Febuary 15, 1925. That editorial is set out in full in the second paragraph of the complaint, a publication which is claimed by the plaintiff to be libellous per se. It is also claimed that the editorial contained an innuendo to the effect that the plaintiff was advertised and published as being engaged in the smuggling of opium in China, which of course, if made by the paper and was not true would constitute a libel and be of such a character that he would be entitled to judgment at the hands of this court.

Claims Animus on Part of the Editors

"It was also claimed by this plaintiff that there was animus on the part of certain persons connected with *The China Press*, and especially on the part of one of the associate editors, Mr. Hope, and the managing director, Arthur Sopher and that the action of *The China Press* in publishing this article was due to the fact that this animus existed, and that such animus was further shown by the publication in subsequent issues of the charge that the plaintiff had been jailed. This was contained in posters issued by the paper.

"Now it seems to me, that the first question the court had to consider is to determine from an examination and analysis of the article published whether it was libellous per se, whether it was of such a character that it tended to hold the plaintiff up to ridicule and scorn and stigmatize him as being connected with the unlawful importation of opium into China, and to determine whether an article of such a character, which showed that at this very time there was pending in the Mixed Court two or three proceedings, two of which at least had been instituted by and under the direction of the plaintiff himself with respect to the opium which had been unlawfully introduced into China by some one was libellous.

Comment By Press Is Not Remarkable

"The claim of the plainiff was that the 180 cases of opium had originated in Constantinople and had been shipped on a Japanese ship to Vladivostok. Now we all know that opium trading with China has been notorious throughout the last century, that it has become notorious throughout the world, that various efforts have been made to put a stop to the introduction of opium into China, and that it has been a subject of international conferences, and that many governments tried to assist China in preventing smuggling of opium into China. It is not strange, therefore, that a case of this sort, where a complaint is filed by a resident of Shanghai relating that over 1,000,000 Taels of opium had been taken by some Chinese from a Japanese ship in Shanghai, should create public interest and discussion in the public press. It is not strange that the newspapers, with facts of that kind at hand should become interested in the matter and that articles should be written by reporters and editors.

"Mr. Powell admits that he wrote this editorial and he stated on the witness stand that he alone was responsible for this article, that it was the custom and practice to submit editorials to Mr. Sopher. This was the established editorial policy on the paper, but Mr. Powell also states that if this article was submitted to Mr. Sopher no change was make in the article nor any suggestion made as to the changing of the article.

Article Distinctly Refers To Ezra

"Now let us examine the language of this article which, it is claimed, is libellous. The article does not mention Ezra's name, but from the language used there would be but little difficulty in knowing that he was referred to in the latter part of the article.

"The first sentence states 'During the course of the Geneva Opium Conference, Dr. Sao-ke Alfred Sze, Chinese minister to the United States and head of the Chinese delegation to the conference, stated in the course of an address that the Chinese government was handicapped in its efforts to prevent the smuggling of opium into China by foreigners taking advantage of technicalities in their extraterritorial rights.' This first sentence is a simple, straightforward statement of facts. Up to that point there is certainly nothing libellous. "The second sentence reads: 'When this statement was cabled to the Far East, there was a great outcry on the part of a certain section of the foreign press to the effect that the Chinese minister was camouflaging the real situation and taking advantage of the occasion to put over a plea for the abolition of the extraterritorial treaties.' Now that's mere statement of the position of a section of the foreign press of the Far East, and I think no exception was taken by anyone to that statement.

Chinese Delegates Were On Right Track

"The third sentence, 'Now in spite of the real motives of Dr. Sze, we have a case at present before the public in Shanghai which indicates that the Chinese delegate was on the right track,' I don't really see anything libellous in that statement.

"The next sentence, 'In this case a man, who previously had been a British subject, was alleged to have had some connection with an opium case, but when he appeared before the International Mixed Court he announced that he had changed his nationality to Spanish and refused to discuss his nationality until he had interviewed the Spanish consul' might just as well have said 'Mr. Ezra,' instead of 'a man' because it was a matter of public record, and Mr. Ezra alleged it himself and set it out in the record. He had 'something to do with an opium case' obviously, maybe not to the point of having smuggled it in, but he complained himself that he had the opium, that he owned some 180 cases worth one million taels and that it had been stolen. If this is true, it might very well be questioned if the opium got into China, and the inference drawn as to why the opium was passing along the China coast to Vladivostok. That certainly was a large amount of opium to be going to Vladivostok, while the importation into China has been going on for decades. But Mr. Ezra's opium was supposed to be passing from Constantinople to Vladivostok along the China coast. Now it probably went just where the owner of the opium wanted it to, into China, and, as I understand it, where all traders in opium bring their opium. Mr. Ezra had been a trader. He testified to that, so it seems to me to be a fair inference to conclude that this opium got into China just where it was intended to go. It never was intended for Vladivostok. That would be a fair inference upon the part of the public or the press.

Article Substantiated by Admitted Facts

"As to this phrase 'he announced that he had changed his nationality to Spanish'—well, he did announce that, didn't he? Having been supposed to a British subject, suddenly Ezra announced that he had changed his nationality to Spanish. Now that all stands admitted, so that upon that point I can't see that the article said anything that was not substantiated and borne out by all the facts and evidence in the case.

"The last sentence in the newspaper editorial complained of states 'Whether Spanish law is more lenient on this subject than is British law, we do not know, but at least to an outsider it appears strange that a foreigner could switch his nationality about the map of the world in this way, and do it almost overnight, so to speak'.

"Now what the writer meant by the first part of this sentence as to whether Spanish law is more lenient, I have some difficulty in understanding. I think there probably is an intimation or innuendo or suggestion that in all probability Spanish law on this subject is more lenient than British law. What that means in a case such as one of this kind, which is for the prosecution of these Chinese and for the recovery of the money, is that the writer may have intended to intimate—that if the case was brought before the Spanish assessor, in all probability the Chinese found guilty would be more leniently dealt with than if they were before a British court, and that also if judgment was recovered by Ezra and his associates they would have recovered a larger amount before the Spanish assessor.

"This would be susceptible of that construction, I would think, but as to any construction having a tendency to disgrace Mr. Ezra it seems to me that is totally irrevelant and has nothing to do with it.

Admits Many Changes in Nationality

"The concluding portion refers to Ezra personally. Is there anything libellous per se in that? Of course the implication set out in the next part, it is claimed, refers to Ezra obtaining protection for those engaging in the opium traffic. Does that language per se, reflect the character of Ezra in an improper manner, and not justified by the undisputed evidence that Ezra was born in India. It is prima facie therefore to suppose that he was a native of Great Britian. His father was a Turk and some 20 odd years ago he came to Shanghai, registered as a British subject for ten or a dozen years. When in 1911 he had a controversy over domestic difficulties he concluded that British laws were not as favorable as some others, and therefore he renounced his allegiance to the king of Great Britain. At this time he had been engaged in the opium traffic in Shanghai. He admits that. And at that time the traffic in opium to Shanghai, as far as England was concerned, was legal. It also appears that England had adopted a policy of suppression of the opium traffic with the Chinese at about this time. Mr. Ezra renounced his allegiance and became a protege of France. He tells us why. Afterwards he became a protege of Spain, and he tells us why.

"Now whether language of that kind is libellous when used with respect to a man who changed his nationality or partially changed it a good many times within a period of 12 or 13 years is a question for fair consideration. But even though the language was not fair comment and even though it was known to Mr. Powell, that language is not counted by plaintiff as the libel. That language is not complained of as libellous, but uttered for the purpose of conveying by innuendo the implication that it was done to aid his criminal participation in opium trading.

Such Inference Seems Very Far Cry

"It seems to me that it is a far cry to spell out such an inference, as is alleged in the third paragraph of the complaint, and the only way in which to spell it out is by relying on the evidence that shows malice on the part of Mr. Hope and Mr. Sopher, and these other publications where it was recited that Ezra had been in jail. These posters (advertisements by the newspaper on the public streets) were admitted only to show malice, and not as a libel complaint. Therefore, this case must stand or fall on the libellous character of the article published on the 13th of February. That can't be pieced out and made to be libellous by subsequent publications. They were only admitted to show motive—malice, therefore giving ground for imputing malice. But if the publication itself is not libellous then the case will fall.

"So it seems to me, taking each one of these sentences, paragraph by paragraph and sentence by sentence, that it is impossible to spell out in this publication what is claimed by the plaintiff—namely, that Mr. Powell charged that Ezra was engaged in the unlawful smuggling of opium into China. No such charge is made in that article. The only charge in that article is that the Chinese government had been seriously handicapped in its efforts to prevent smuggling of opium into China by reason of the fact that foreigners took advantage of their extraterritorial rights, and that there was now a case in point before the Mixed Court where a foreigner, who had extraterritorial rights and where the case was ready for trial, said he would not go on with it, saying, "I've ceased to be a British subject, and am now a Spanish subject, bring on your Spanish assessor, or I'll dismiss the case; I won't proceed with it against the men whom I have charged with stealing and I won't help to convict them unless you bring on the Spanish assessor.

Complaint not on Oath Makes no Difference

At this point Mr. Davies interrupted the court and said, "Your honor the complaint is not under oath."

Judge Purdy responded, "I don't believe it makes any difference whether it is or not. That is what Mr. Powell has charged in this editorial, as I sum it up, and it seems to me that the language used in the editorial was justified by the facts in evidence at the time in the Mixed Court. The facts were not only known to Mr. Powell but to the general public of Shanghai. What happened afterwards was the withdrawal of Ezra from the case, after all his protestations of helping stamp out opium smuggling, and especially after his associate had gone back to Vladivostok and after Ezra had spent $500 and then because he could not have a Spanish assessor, he said, "Well, I'll give you no help in this prosecution—let the police officers, who have the opium, prosecute—we withdraw. "What inference is to be drawn but that these suits were not instituted for the purpose of breaking up opium smuggling in China, and not for the purpose of prosecuting these men, but to mulct the men who had the opium? The only purpose that this plaintiff had, it is the plain inference, was to mulct these Chinese of the one million taels, five percent of which would have gone to Ezra and the rest to the Russian, who is in Vladivostok and who probably held the bill of lading himself. We have never heard anything about the Russian since, nor do we understand that either the Russian or Ezra intended to contribute any of the judgment money they expected to collect to a fund for use against opium smuggling into China.

"I am constrained to find that the article was not libellous and judgment will be entered for the defendant with costs."

Trade Opportunities

The following trade opportunities have been received by the American Department of Commerce, 3 Canton Road, Shanghai, from American business houses desiring to be placed into communication with local firms for the purposes noted. Further information regarding them may be had by applying to that office.

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X-Ray and Physiotherapy Apparatus: Manufacturers of X-Ray and Physiotherapy Apparatus wish to make connections with a concern in China experienced in making installations of this kind of apparatus and with a dealer in surgical instruments for the sale of products which do not require technical knowledge.

Shoe Polish and Dressings: Manufacturers of Shoe Polish and Dressings wish to appoint agents in Shanghai.

Mechanical Pencils and Leads: Mechanical of a medium priced, dependable line of Mechanical Pencils and Leads wish to appoint exclusive sales representatives in China.

Automatic Refrigeration Systems: The export factors for manufacturers of "Iceless" Refrigeration Systems wish to secure a distributor in this market. Descriptive literature on file.

Rowboat Motors: Manufacturers of marine engines wish to secure distribution in China for their new Twin Rowboat Motor. Discriptive circular on file.

Non-Electric Turntables: Manufacturers of Non-Electric Turntables for show windows are looking for representation in China. Descriptive literature and testimonials from firms that have been served on file.

Branding Equipment: Manufacturers of Branding Equipment for every purpose wish to enter this market. Descriptive literature on file.

General Trade Representatives: American selling agents wish to make connection with principals, on an exclusive agency, for selling their lines of merchandise. Are equipped to handle all Chinese Raw Products, Furs, Silk Piece Goods, Matting, Rugs and Sundries.

Lard: New Orleans merchandise brokers and manufacturers' agents wish to make connections with China exporters of pure Hog Lard for the shipping of this product to their jobbers in Cuba.

China and the British Boxer Indemnity

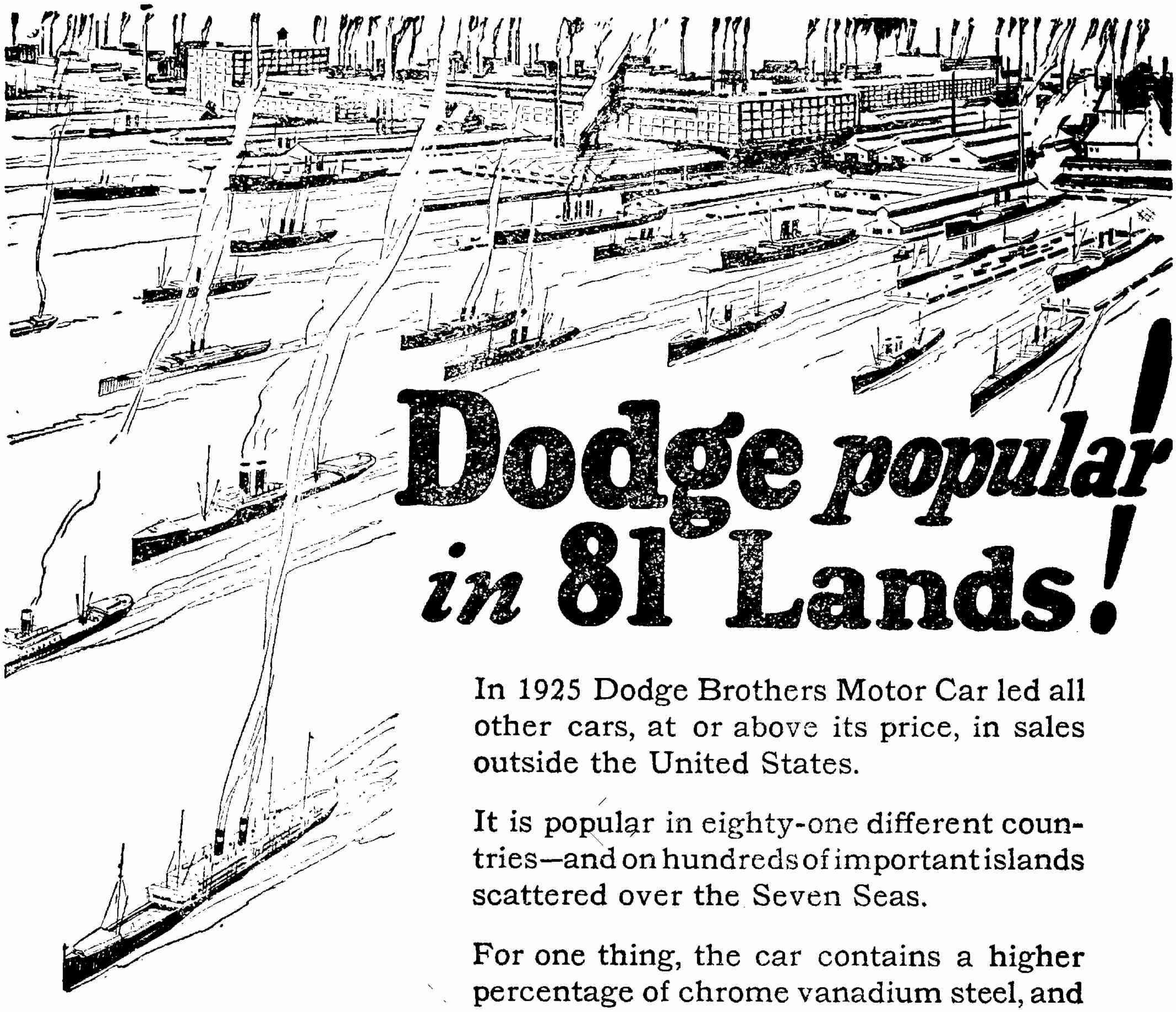
BY G. ZAY WOOD

The disposition of the British portion of the Boxer Indemnity is a subject which is receiving the closest attention at present. Together with two of his colleagues, Lord Willingdon has been in China on a special mission to find out how the Boxer funds can be best used. The following article, written by a well-known Chinese publicist, is, for this reason particularly interesting and merits the attention of all those interested in the subject. The writer is a returned student from the United States where he was educated under the American Boxer Indemnity funds.

THE remission of the British portion of the Boxer Indemnity to China, which has been the hope and dream of a large number of the Chinese people, particularly those of the educational world, for the last few years, and which has formed a subject of general discussion throughout the country, will become an accomplished fact before long. More than three years ago, on December 29, 1922, to be exact, the British Charge d'Affaires in Peking, apparently acting upon instructions from Downing Street, informed the Chinese Government the Great Britain had decided in principle to devote the outstanding portion of her share in the Boxer Indemnity to purposes mutually beneficial to both countries. The British Parliament has since given its official stamp of approval to the return of the Indemnity. On June 30, 1925, the so-called "China Indemnity (Application) Act" was passed, of which the following is the most relevant passage that merits reproduction:

"Any sums received at any time after the first day of December, 1922, on account of the China Indemnity shall, instead of being paid into the Exchequer and issued and applied, in like manner as the new sinking fund, be paid to a fund to be called 'the China Indemnity fund', and subject to the provisions of this section, be applied to such educational or other purposes, being purposes which are in the opinion of the Secretary of State for Foreign Affairs beneficial to the mutual interests of His Majesty and of the Republic of China as the said Secretary of State, after consultation with the Advisory Committee to be established under this Act, may from time to time determine."

This Advisory Committee referred to was originally to have consisted of eleven members, of whom one would be a woman and at least two would be Chinese nationals. The organization of this Committee was delayed from one time to another, partly due to political changes in the British Government and partly due to the fact that there appeared to be great difficulty to the British Government in its choice of the British members and in deciding upon the Chinese members "with high qualifications." There are many in China who struggled hard to get on the Committee, but who were disqualified for one reason or another. Some of those who were deemed of high qualifications to serve on the Committee as Chinese members could not accept the invitation owing to their inability to leave their present duties. Among the British members, Mr. Bertrand Russell and Mr. G. Lowes Dickinson, nominated by the Labor Government, were displaced after a change in the British Government, though not necessarily for political reasons. In the place of Mr. Bertrand Russell, whose brilliant intellect was well recognized, "some one with much better qualification for this particular job" was appointed. The British Government had, to use the words of the Under-Secretary of State for Foreign Affairs at the time, "substituted for a brilliant philosopher who had spent a year in China, a gentleman who had spent twenty years in administering education in China, a professor of Chinese in Oxford, and who was the President of one of the most successful universities in China." This was, of course, referring to Professor Soothill, who is now in China on the Willingdon delegation. Major Astor, who was originally invited by the British Government, and who had accepted the invitation, to serve on this Advisory Committee, found it necessary later to resign owing to his absence in Australia. Sir John N. Jordan, former Minister in Peking and another distinguished member, passed away before the Committee was fully organized, and the vacancy was to be filled, it was decided later, by an additional Chinese member. There are now, therefore, three Chinese representatives on the Advisory Committee, which is surely a distinct improvement of the first report when it was intimated that only one Chinese would be invited to join it. Those who inquire about the constitution and the purposes of the Advisory Committee may be referred to the following authoritative statement, in which they



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are well defined—a statement which is authoritative because it is official, issued by the British Foreign Office on the very eve of Lord Willingdon's departure for this country:

"Under the Chinese Indemnity (Application) Act, 1925 a statutory commitee was set up to advise the Secretary of State for Foreign Affairs as to the best use of the indemnity fund for the mutual interests of this country and China. The committee was to consist of eleven persons, of whom at least one was to be a woman, and two to be Chinese. The British members of the committee have been nominated, and the Chinese members, who will be persons connected with educational and cultural work, are in course of being appointed. In view of the lamented death of Sir John Jordan, it has been decided to fill the vacancy by a third Chinese member.

"The British members of the committee are as follows: Chairman, Earl Buxton, P. G., G. C. M. G. (former Postmaster-General, 1905-1910; President of the Board of Trade, 1910-1914; Governor-General of South Africa, 1914-1920); Viscount Willingdon, G. O. S. I., G. B. E. (Governor of Bombay, 1913-1919, Governor of Madras, 1919-1924); Sir Charles Addis, K. C. M. G. (Director of the Bank of England and Chairman of the London Committee of the Hongkong and Shanghai Bank); Sir William Clark, K. C. S. I., C. M. G. (Comptroller-General of the Department of Overseas Trade); Sir Christopher Needham (Director, Manchester Chamber of Commerce, 1914-1916, Governor of Manchester University since 1910, nominated to serve on the Committee of the Board of Trade); Professor W. E. Soothill, M. A. (Professor of Chinese, Oxford University); Mr. S. P. Waterlow, C. B. E. (of the Foreign Office); Dame Adelaide Anderson, D. B. E., M. A. (Principal Lady Inspector of Factories, Home Office, 1897-1921, assisted on the commission appointed by the Shanghai Municipal Council to investigate child labor in Shanghai).

To Investigate On the Spot

"The British members of the committee have held informal meetings to discuss the best means of carrying out their task, with special reference to the changing conditions in China. As a result of these deliberations it has been decided (1) to increase the membership of the committee to three, and (2) that a delegation should be appointed consisting of six members of the committee—three British and three Chinese—under the chairmanship of Lord Willingdon. This delegation will meet in China to consider the whole question on the spot, and to take evidence there in reference to the various matters involved. The delegation will report their conclusions of the committee as a whole. The other British members of the delegation will be Professor Soothill and Dame Adelaide Anderson. The British members are leaving immediately for China, and it is hoped that the full delegation will be able to begin its work early in March.'

To this may be added the fact that the three Chinese members now serving on the Committee are Dr. Ching-chung Wang, an American returned student and former Director-General of the Chinese Eastern Railway, Dr. V. K. Ting, a British returned student and a wellknown geologist, and Professor Hu Shih of the Peking Government University, who is also an American returned student. These gentlemen are "men with high qualification", as Mr. Chamberlain, said who are "connected with educational and cultural work" in China.

A delegation of three of this Statutory Committee has come to China to find out on the spot, in cooperation with the Chinese members, how the returned Boxer funds can be best used in the interest of China and her people. Lord Willingdon is the Chairman of the delegation, the other, two British members being Professor W. E. Soothill and Dame Adelaide Anderson. Together with the Chinese members, the British delegation has already begun its labor and findings in China. In order to know the exact nature of the mission, it is only necessrry to refer to a statement issued by the delegation at a reception of the Chinese journalists in Shanghai on March 22, in which it is said among other things:

"In order to facilitate the work of the Committee in ascertaining the views held in China with regard to the disposal of the funds, it was decided that three English members of the Committee should visit China and pursue their investigations in co-operation with their three Chinese colleagues.

"This Anglo-Chinese delegation, which is now in China, will visit many of the chief centres of population and will deliberate on the relative merits of the various schemes that have been or may be placed before them, and consider the principles to be followed in allocating the funds and and in providing for their administration. The six delegates whose status and functions are precisely equal and who are all full members of the Statutory Committee, will, in due course, submit the result of their deliberations to the whole Committee. This Committee, which is advisory in nature, may be dissolved when the permanent executive organization is established for allocating and administering the funds. The character and composition of the permanent organization constitute one of the most important questions to be considered by the delegation.

"The fundamental object which the British Government have in view in returning the balance of the indemnity is the strengthening of the bonds of friendship between Great Britain and China, and the utilization of this money to the best possible advantage of China and her people. The duty of the delegation now in China in to find out what are the most pressing needs to which the indemnity funds can be applied, and it is hoped that Committee's recommendations will meet with the approval of the Chinese people. In order that their task may be satisfactorily carried out, the members of the delegation trust that those representing the various interests that may be affected, will give the delegation their counsel and co-operation."

At this time when the delegation is being engaged in its labor of investigation, it is perhaps fitting that views widely held among the Chinese people throughout the country should be known and heard. It is also necessary that these views should be known to the Statutory Advisory Committee as a whole. It is to be presumed that the three Chinese members are well conversant with the Chinese points of view and that they can be trusted to voice the Chinese opinion.

So far discussions of the British Boxer Indemnity question have been principally confined to one particular aspect: how the funds are to be disposed and for what purposes. Over and above this question, there is, however, one point which is of greater significance to China and which must be settled with satisfaction to the Chinese people in order to realise the full benefit of the return of the British portion of the Boxer Indemnity.

The Important Question

There is no doubt that for this generous return we are quite thankful to the British people and the British Government. At the same time, we must not, however, forget to consider the real significance of the return of remission of the Boxer Indemnity. Does the British Government propose to cancel the debt and relinquish the claim, or does the British Government intend to refund the money to China, when it is annually paid over, and let the Chinese Government use it for "purposes mutually beneficial"? Who is to control the funds and who is to decide what is mutually beneficial and what is not? Does the British Government intend to follow the example of the United States Government by waiving its claim entirely and letting China decide mainly for herself as to how the funds can be best spent? Or, does the British Government intend to follow the Japanese example and prefer to keep the funds in its own hands? These are important questions,and those enthused over the prospect of immediate realization of their hope for the remission of the British Boxer Indemnity will do well to find answers to these questions in order to understand what the remission or return of the Indemnity really means. The Statutory Advisory Committee constituted at present is, true to its name, advisory in nature. It is the British Secretary of State for Foreign Affairs who must finally decide upon the disposition and the administration of the funds.

The total amount of the indemnity exacted by the Powers after the conclusion of the Boxer Uprising of 1900 was fixed at 450,000,000 Haikwan Taels, the payment of which is spread over thirty-nine yearly instalments, with a four per cent per annum interest rate being charged on the capital amount. Counting interest and principal together, the total indemnity payable by China between 1902 and 1940 would, therefore, amount to 982,228,150 Haikwan Taels. The British share of the indemnity, which reprefents 11.24901 percent of the total amount, is fixed at 50,620,545 Haikwan Taels, or 7,593,080 pounds sterling. The annual installments were regularly paid by China out of the customs receipts until August, 1917, when China declared war upon Germany and Austria-Hungary, and when Great Britain, together with most of the Allied Powers, agreed to the suspension of indemnity payments for a period of five years. Payments were resumed at the beginning of 1923 upon the expiration of the five-year period, and it was before the resumption of the indemnity payment that the Chinese Government was informed of its remission. The total amount of the Boxer Indemnity outstanding at the time of resumption of payments was 660,924,550 Haikwan Taels, of which the British share amounted to 74,354,012 Haikwan Taels, to be payable in fourteen more instalments. This is the sum which is to become available for purposes mutually beneficial to both China and Great Britain.

Now pending a report by the Willingdon delegation, be it unanimous or otherwise, and a decision by the whole

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Statutory Committee, it will be interesting to ask, if not to anticipate, what the British Government proposes to do with this huge sum. Does the British Government really mean to remit and return it to China? By "return," if we take the word literally, we understand it to mean "an act of sending back," while on the other hand, "remission" means, in its usual acceptation, "relinquishment of a claim." The fact that the British portion of the Boxer Indemnity will be made available for what Great Britain or the Advisory Committee considers to be the purposes mutually beneficial to both countries cannot be properly called as the "remission" of the Indemnity if the British Government does not relinquish the claim. Nor can it be called the "return" of the Indemnity, if the funds to be annually paid over by China from the customs revenue remain in the hands of the British Government. To take a simple instance: when Mr. A owes Mr. B $1,000 and when the latter proposes to remit or to return the money to Mr. A, the creditor must either forego his claim for the debt, or return the money to Mr. A when it is paid. If the creditor insists upon the payment of the debt and keeping the money in his own hands, but graciously agrees to use the money thus paid over for what he considers to be mutually beneficial purposes," it will be a terminological inexactitude, to say the least, to call the transaction a "remission" or a "return."

This simple instance occurs in every day life, and what is true in this instance will also be true in the case of the British Boxer Indemnity. When in 1922 the British Charge d'Affaires in Peking informed the Chinese Government of the return of the British Boxer Indemnity, he simply stated that Great Britain had decided in principle to devote the balance of the Indemnity to purposes mutually beneficial to both countries. He did not intimate that the claim would be cancelled altogether, or that the funds would be handed back to China when actually paid. When the British Parliament passed the "China Indemnity Act," it was stipulated that the fnnds derived from the Indenmity would be applied to such educational and other purposes "which are in the opinion of the Secretary of State for Foreign Affairs beneficial to the mutual interests of His Majesty and of the Republic of China." There is no provision for actual return of remission of the funds, and it is not likely that the Willingdon delegation in China will ever make a unanimous recommendation in favor of turning the total amount over it China to spend as she deems necessary and advisable within certain broad limits to be mutually agreed upon.

How America Did It

On the other hand, let us look into the American example. When the United States Government remitted in 1908 to China the balance of a little over ten million dollars gold (10,785,286) of the Boxer Indemnity, the Chinese Government had a free hand in the disposition of the funds, which have been utilized in the upkeep of the Tsing-hua College and for the education of Chinese students in American colleges and universities. The Joint Resolution approved by Congress on May 25, 1908, definitely authorized the president of the United States to modify the total amount of the Boxer Indemnity from $24,440,000 to $13,655,492 and to remit the remainder as an act of friendship. As soon as this was decided upon, the American Government sought "to obtain from the Imperial Chinese Government an expression of opinion as to the times and manner in which the remission shall be made." The Chinese Government said in reply that it had no wishes to express concerning the time and manner of the return of the Indemnity. "It relies implicitly on the friendly intentions of the United States Government, and is convinced that it will adopt such measures as are best calculated to attain the end it has in view." The Chinese Government did state, however, its intention to send yearly a number of students to the United States for education, which was regarded by the American Government as a "most commendable undertaking." A preparatory training school, hitherto known as the Tsing-hua College, was established as a part of the educational program. It was the Chinese Government, therefore, which had really decided as to how the returned funds should be spent, and it is the Chinese Government which has handled the remitted funds. The American Government, having waived its claim, has practically nothing to do with the funds, which are regularly paid out by the Chinese Customs Administration to meet the expenditure of the Tsing-hua College in Peking and of the Chinese Educational Mission in the United States, through the Ministry of Foreign Affairs, which has direct supervision over these two educational organizations. By another Act of Congress, approved on May 21, 1924, the United States decided upon the remission of further payments of the annual instalments of the Boxer Indemnity, to begin from October 1, 1917. In accepting this generous return on behalf of the Chinese Government, Dr. Sao-ke Alfred Sze, Chinese Minister at Washington, said among other things:

"The Chinese Nation will ever hold this generous action on the part of the United States in grateful rememberance.

"The first remission by the American Government in 1908 enabled the Chinese Government to devote the annual payments of the indemnity thus set free to educational purposes. The results of the experiment have convinced the Chinese Government of the step taken in this direction. It is the purpose of the Chinese Government to continue the policy with the further payments remitted by the present Act of the American Government with such modification as experience and the demands of the times may dictate. As the demand for scientific education has in recent years been increasingly urgent in China, my Government now proposes to devote the funds made available by the generosity of the American Government to educational and cultural purposes, paying special attention to scientific requirements. Moreover, it is the intention of my Government to entrust the administration of the funds to a Board which shall be composed of Chinese and American citizens as members."

This Chinese-American joint board referred to was duly organized after Professor Paul Monroe's second visit to China, and it is now known by the name of the "China Foundation for Promotion of Education and Culture." It is not the American Government, nor the Chinese Government, but this China Foundation, which has absolute control over the disposition of the returned funds.

Japan's "Return" of Funds

On the other hand, we see an entirely different case in the so-called "remission" of the Japanese portion of the Boxer Indemnity. After having decided that the proceeds of the Indemnity should be devoted to purposes for "cultural relief" in China, the Japanese Government proceeds to establish a special bureau to undertake this cultural work, placed under the immediate control of the Japanese Foreign Office, with one of its junior officers to be the Director of the bureau. The Japanese Government continues its absolute control over the disposition of the funds. Every new appropriation made must be duly approved by the Japanese legislature. The Chinese Government must continue to pay through the Customs the balance of the Indemnity. It has absolutely no voice in the disposition of the funds, although Japan has announced to the world that she has remitted her share of the Boxer Indemnity to China. The Chinese Government was not even consulted when it was decided that the funds should be devoted to "cultural relief", and even up to this day, nobody seems to have thoroughly understood what the Japanese Government means by this peculiar phraseology. Indeed, the disposition of the funds has been made so far by the Japanese Government in such a way that it has not proved to be a welcome to the Chinese people who have, instead of feeling thankful to the generosity of their close neighbor, learned to question the real motive that is behind the "return" of the Indemnity.

Now, the question before us is: which example will the British Government follow, the American way of returning the Boxer Indemnity or the Japanese way? The American example is a return in name and in fact; the Japanese way is not a return at all. The Chinese people welcome and appreciate the American way, since it is sincere and honest in purpose. They resent the "return" of the Japanese Boxer Indemnity, which is in name and not in fact, prompted other than by generous considerations. The Chinese people are therefore anxious to know what the British Government proposes to do with the "return." We are not sure whether the funds will be distributed by the British Government itself, by the Statutory Committee, or by any other special committee which the latter may organize at its instruction. It should be borne in mind that the British Government has always considered the payments of the Boxer Indemnity as a source of national income, and by virtue of the Finance Act of 1906 the payments were used to meet a part of British national debts. When the Bill for the China Indemnity Fund was first introduced by the Conservative and later by the Labor Government, nothing was said that the proceeds from the Indemnity would be "returned" to China and placed at the free disposal of the Chinese Government. The vague phraseology, as has been mentioned before, has been used throughout the discussion and the readings of the Bill, that the funds should be made available for "purposes mutually beneficial to China and Great Britain." The Statutory Advisory Committee, organized by the Britsh Government to consider the best ways of making use of the funds, has only three Chinese representatives who have, to all intents and purposes, the appearance more of advisers to the British Government than of representatives of China. They can serve, at best, in the Advisory capacity only and for this reason, they can have but little power or influence to carry out Chinese points of view in regard to the disposition of the "remission" of the British Boxer Indemnity would be more like the Japanese remission, in name rather than in fact. The British Government will control the funds; the British Government, or any special organization which it

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many find convenient to set up, will decide upon the uses, whether or not mutually beneficial to both countries. So many different ways have been suggested that we feel that unless sound Chinese views are taken into careful consideration, the remission may not prove as "beneficial" to China as the British may think. The "remission" is a gracious act on the part of the British government, for which the Chinese feel thankful, but when it follows—if it does—the Japanese example, we are not sure whether the funds thus available will prove an unmixed blessing to China.

Peking, April 13, 1926.

Note: The second installment of this discussion will appear in next week's issue of *The China Weekly Review.*

China's Imports During 1925 Active Despite Disturbances

Notwithstanding the continued economic and political disturbances, which have interfered with China's trade for several months, her imports during the first nine months of 1925 showed considerable activity, according to the unofficial returns of the 45 ports under the Maritime Customs published by the U. S. Department of Commerce, Far Eastern Division. The deadlock at Canton caused heavy losses to importers in Southern China while Shanghai was especially disturbed by strikes.

The following table shows the total quanity, or value, of the principal imports into China through the Chinese Maritime Customs which interest American traders either directly or indirectly. Only trade by steamers is reported.

Commodities		First nine months ended Sept. 30	
		1924	1925
Cigarettes	Thousands	7,778,718	5,110,086
Dyes, aniline	Hk. taels	7,511,141	2,596,700
Artificial indigo	Piculs	240,000	375,000
Electrical materials	Hk. taels	7,175,000	5,761,000
Flour, wheat	Piculs	6,188,000	1,520,000
Iron and steel products	,,	8,358,000	9,180,000
Lumber, softwood	Sup. feet	194,473,000	148,478,000
Machinery	Hk. taels	16,260,000	11,078,000
Milk, condensed, etc.	Piculs	17,745	26,749
Petroleum products:			
Fuel oil	Amer. galls.	17,930,000	12,640,000
Kerosene	,,	178,328,000	197,776,000
Gasoline	,,	2,023,000	3,417,000
Lubricating oil	,,	7,610,000	5,138,000
Wax paraffin	Piculs	359,000	209,000
Rice and paddy	,,	9,744,796	5,110,000
Sugar	,,	6,656,000	8,681,000
Tobacco	,,	661,000	502,000
Railway materials	Hk. taels	2,335,000	2,699,000

Despite the reductions in imports noted there are encouraging features in the 1925 transactions. China imported 17 per cent more kerosene oil than during the corresponding period of 1924 and 60 per cent more gasoline, but 32 per cent less lubricating oil. Of the total kerosene imports 139,664,000 gallons or 70 per cent were credited directly to the United States, an advance of 22 per cent over the 1924 period.

The quantity of artificial indigo rose by 56 per cent during the first nine months of 1925, while the value of aniline dyes slumped 65 per cent. China purchased practically 20 per cent less of foreign electrical materials but, according to the corrected returns, 10 per cent more of iron and steel products. Better crop conditions in China, particularly in the northern part coupled with trade disruption, reduced the amount of flour imported by 24 per cent and rice by 47 per cent, while in contrast sugar imports mounted.

Fresh fruit imports were light but encouraging. Apples more than held their own, while the 236,000 boxes of foreign oranges purchased represented an increase of more than 37 per cent. Returns for the automobile trade in China are very incomplete, but reports from four ports, including Shanghai and Tientsin, the centers of distribution, show a gain of 44 per cent.

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Will America Eat China Beef?

BY TOM DOYLE

WELL, why not? It's not the crazy idea which it appears at first glance to the casual reader who, after having travelled the cattle ranges of the western states thinks of America as a country whose beef reserves must be tremendous. True enough, the United States has tremendous beef resources, but her reserves are vanished, things of the past. In 1924 the United States imported from abroad fresh beef to the value of $1,833,000, gold, and exported only a total of $416,000, while during the previous year the excess of imports over exports was even greater. The bulk of the beef imports are now coming into the country from Canada and South America but there is reason to believe that the west coast at least would offer an immediate market for China beef, were there such a thing for export. That the possibility of replenishing America's dwindling supply of beef with reserves from Asiatic ranges has not escaped the notice of the Chicago packers is evidenced by the fact of several of them having despatched investigators to survey the entire China-Mongolian field during the past few years. Shantung, Manchuria, Inner and Outer Mongolia, North Shansi and Shensi, they have all been shroffed by rather uncommunicative gentlemen who chewed big cigars, asked many questions, said little and departed. What their verdicts were can only be surmised, but one guesses that civil commotions have had an adverse effect upon the Celestial pocketbook, for one somehow gets the idea from a study of the situation that perhaps in more than one Chicago office there rest extensive plans for a China beef industry, collecting dust while they wait upon the pleasure of several generals whose fighting proclivities blind them to the fact of their possessing untold wealths of grazing lands in their respective back yards.

Represents Difficult Problem

Viewed from an angle of immediate supply, China is nearly as destitute of beef now as she was of cotton mills a very short time ago. There is beef in the country, enough for domestic requirements which increase but slowly, and enough for a steady export, largely toward Hongkong, each year, of cattle and an increasing export of beef to Japan and Russia. These two markets, however, absorb the China surplus as things stand at present. During the war, some beef went to Great Britain and some to Manila, but the Japan demand has killed the chances of those markets again competing in earnest. Therefore it is a problem of starting at the very bottom and fortunately the bottom is a wonderfully solid one, of oceans of wonderful natural pasture scattered through Manchuria, Inner and Outer Mongolia, and the Northwestern Provinces, pasturage for thousands upon thousands of cattle simply awaiting occupancy, simply waiting, but the problem of getting the cattle population to the pastures is far from being simple. Rather does it promise a campaign which might well attract the best brains of the American beef industry by its difficulties. Chicago built up an industry in South America where the going was tough but in Asia it will have still tougher travelling. It is interesting to speculate upon the possible development which may take place at any time within the next century. To prophesy closer would be to invite ridicule.

The first problem is getting hold of land, getting control of the ranges. In Outer Mongolia, the starting place, this is not the problem it is in China, or at least it was not before the Reds annexed the country and kicked out both Chinese and Mongol rulers and property owners. Under legal conditions in Outer Mongolia, and in those sections of Inner Mongolia where the Mongols still hold sway it would be simple to lease lands in perpetuity by simply guaranteeing the livelihoods of the Mongol owners much as did the American Government when it cooped the Indians up in reservations. The average Mongol prince realizes his limitations, knows that he has grazing lands of wonderful potential value and likewise realizes his total incompetence in developing them. He sees the Chinese ousting his neighbors from year to year by superior comepetence and realizes that his turn will come sooner or later, with no payment on the part of the ouster either. An American firm would receive a hearty welcome from every princely owner of truly royal pastures in the country were it to offer comfortables livelihoods to the occupants in exchange for perpetual leases. Thus in one move would the land and labor problems be solved, for while the Mongol won't work a farm, believes it to be immoral and utterly blasphemous to till the soil, he is one of the best stockmen on earth, provided he is bossed by somebody who knows stock raising and grazing as

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it is done today, not as was fashionable some few centuries ago when Genghis Khan ran a bailiwick which covered the whole of Asia and a good slice of Europe and incidentally set a fashion in Mongolian circles, a fashion of stock raising and grazing which, whatever its defects, wore well for it is still followed religously in all Mongolia. Down in China proper, and in Manchuria as well, where the Chinese have full control a slightly different situation exists. It would probably be next to impossible to persuade Chinese owners to part with their lands, even on perpetual lease schemes, but the B. A. T. met with a problem something like that and circumvented it in the tobacco fields of Shantung by first showing the Chinese how to grow real tobacco and then refusing to buy it unless it was grown under their supervision. The way it worked out everybody has been happy. The company got its way and the farmer's face was saved. In the cattle business there is every likelihood that a similar circumvention, harmless and effective could be worked easily enough, for while Mr. Chinese resents any attempt on the part of the foreigners to acquire his land, there has never been any marked disposition to refuse a chance to improve his living condition, even to allowing the foreign devil to come in and boss his whole household, just so long as his feelings are properly respected as has been the Shantung tobacco case.

Stock and Transportation Problem

Stock and transportation are two bugbears, two tremendous obstacles to successful cattle raising in this part of the world. The Mongolian plains and to some extent, the grazing lands of China and Manchuria are stocked here and there with scrub cattle. Where the present breeds originated, nobody knows. They are apparently a hybrid of a dozen varieties of native animals ranging all the way from the yak and the water buffalo to wild Siberian stock which probably came over from western Europe when the world was pretty young. They are useless for milch purposes and wasteful for beef. They are tough. They have to be to exist under the conditions they have to endure, but their meat is coarse and they never read any weight. There might be a market next door to China but it could never be availed of unless the native stock were replaced by blooded northern cattle, able to withstand severe winters and to resist numerous diseases, and capable of attaining a size that would make them desirable in western countries for beef purposes. Stocking the China and Mongolian ranges means first clearing out these scrub animals, completely eliminating them as did the American ranchers when they decided to go in for blooded stock years ago. It means scores and scores of ranch buildings, a small army of American cow men to direct well intentioned but totally incompetent Mongols and Chinese. It means a string of quarantine stations from Siberia to Kansu the rinder pest, the only cattle disease worth mentioning in this part of the world. On some parts of the Mongolian range it means cutting wild hay for winter feed and on other parts of that range it means driving from summer to winter pastures in order to keep the herds alive through a winter whose temperature may run as low as eighty degrees Farenheit. Far be it for an outsider to attempt estimating the cost of stocking the cattle ranges of Central Asia. It would run into millions, but how many only a Chicago beef man can tell you.

Turn to transportation. Having beef on the hoof and beef on the American or European table are two very different propositions. There exists a wide gep to be bridged by the packers and traffic people. To operate the Asiatic ranges involves erecting packing houses in Asia and creating refrigerator steamship lines from the China Coast to Europe and America—some little job of work, that. To the cattle lands of this continent there are two routes open. One is through Tientsin, Kalgan and over the passes into Inner and Outer Mongolia. The other is via a Manchurian port, Dairen, Newchwang, or perhaps Hulutao, and thence over the South Manchurian, the Chinese Eastern and the new Taonanfu-Tsitsihar railways into Mongolia. The Tientsin-Kalgan route will reach western Inner Mongolia as well as provide a route direct toward the heart of the outer lands. Beyond Pingtichuan up on the steppe beyond Kalgan, there is no rail. The Manchurian railways skirt the grazing lands and never invade them. To build a beef industry there railways must be thrown directly across Mongolia, east and west, north and south, there must be lines to handle the traffic and eliminate wasteful driving on the hoof. Packing houses have to be erected at points where fuel and labor are available, probably around Kalgan and somewhere in Manchuria. Storage facilities for transhipping cargo at tide water have to be contructed, and last but not least, the Chinese railways have to be wheedled into allowing the foreigners to operate refrigerator car lines and cattle car lines over their tracks in exactly the same way the big firms operate their private car lines in the homeland.

The fully developed cattle and beef industries of China and its contiguous districts would present to the

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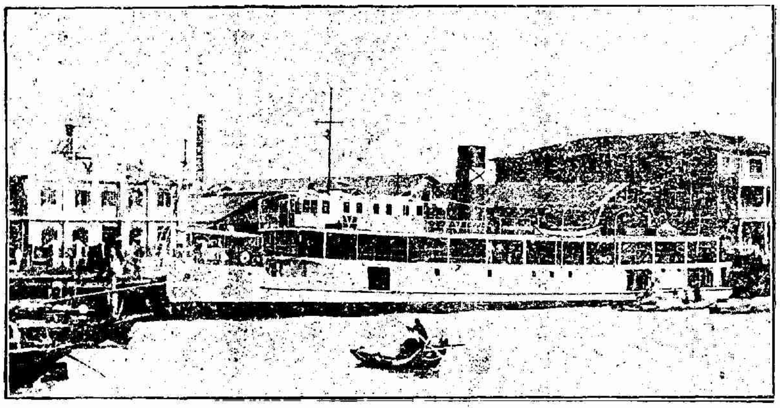

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world a picture of industry hard to describe. New populations on the now bleak and sparsely populated Mongolian plains; railways and more railways cutting through almost uninhabited regions; sleepy old market towns revitalized and new industrial cities sprung up about gigantic packing plants; long trains of refrigerator cars hurrying fresh beef to tidewater, where now vacant beaches have become busy ports, their piers stretching sea-wards, their hinterlands bustling with railway shops, yards, and last and best of all, the comfortable homes of tens of thousands of well paid Chinese workers. Something like this seemingly insane vision has been accomplished by Chicago brains and money down in South America, and Chicago may yet aid China in her forward struggle. The physical problems are simple of execution. It is largely their tremendous size which renders them difficult. To engineer and operate organizations of the kind required to develop China's beef resources requires the biggest kind of administrative skill, and unlimited capital. In Chicago there is ample of both. The hindrance to the project is all on the China side, personified in the several generals whose petty ambitions and personal grudges outweigh all considerations of good of fellow countrymen. The hard headed Yankee will not, as he has often enough repeated, invest a cent of money in this country until a stable government can assure him of protection for his property, the same protection, no more and no less, that his own government gives him at home. Your Yankee wholesale butcher has no grandiose ideas of becoming a nabob in China. On the contrary, he only asks that those to whom government is entrusted respect their trust and let him alone, to raise and cut beef steaks for the world's breakfast. Simple, is'nt it?

British Boxer Indemnity Commission Visit Shanghai

The British Boxer Indemnity Commission, after visiting Hankow and Hangchow, is at present in Shanghai proceeding with its work of investigating the most feasible and practical means of the disposal of the returned British Boxer Indemnity funds. The Commission, which is headed by Viscount Willingdon, has been entertained and feted by various clubs and organizations but in every instance the speakers merely outlined the aims and purposes of the Indemnity Commission and the inference was drawn that China will have to wait for the final report of the Commission to know what the outline means. Various plans for the disposal of the boxer funds have been advanced and while the Commission is taking due consideration of all, it obviously cannot make any definite promises one way or another.

The Commission, after completing its investigation work at Shanghai intends to proceed to Canton and later to Peking. It is composed of the following members:

Viscount Willingdon, G. C. S. I., G. B. E.—Governor of Bambay, 1913-1919; Governor of Madras to his India Service, Viscount Willindon has served on various diplomatic commissions of the British Government, including the League of Nations at Geneva.

* Prof. W. E. Soothill, former president of the Imperial Shansi University and now professor of Chinese at Oxford University. Prof. Soothill is one ofthe best known British authorities on Chinese Language, Art, Philosophy, and History.

DameAdelade Anderson, S. B. E., M A.—Principal Lady Inspector of Factories, Home Office, 1897-1921. Served as an expert on the Commission appointed by the Shanghai Municipal Council two years ago to investigate the child labor problem at Shanghai.

Prof. R. J. J. Johnson, C. B. E.—Secretary of the Commission, until recently tutor to the "Boy Emperor" Hsuan Tung, Peking. Graduate of Oxford, 1898, came to China same year where he served as Secretary to Governor, Hongkong; Secretary to Government, Wei-haiwei. Is author of numerous books and essays dealing with China.

The Chinese Members of theCommission are:

Dr. C. C. Wang—American returned student, expert railway engineer, former director-General of the Chinese-Eastern Railway.

Dr. V. K. Ting—British returned student, organizer and former director of the Chinese Geological Survey. Authority on Mining.

Prof. Hu Shih—American returned student, for several years connected with the Peking Government University on the reform of the Chinese Language and the "New Learning"

* Prof. Soothill is accompanied by his daughter, Lady Hosie, who is a well known writer on Chinese and Far Eastern subjects, one of her best known books being "Two entlemen of ChGina'.'

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SHANGHAI

Men and Events

Mr. and Mrs. Ralph Denison returned to Shanghai last Sunday on the *President Taft* from Japan where they spent their honeymoon. Mrs. Denison was formerly Miss Margaret Uhlman of Seattle.

University of California people were entertained by Mr. and Mrs. E. J. Raven at tea on last Saturday at their residence on Avenue Joffe in honor of Julean Arnold, American Commercial Attache.

Tokyo contemplates the opening in Shanghai of a fair of samples of Japanese products on a large scale sometime next autumn. The chief articles to be exhibited at the fair are miscellaneous goods, hardware, glassware and toys.

A luncheon was given by the Foreign Y. M. C. A. at the Shanghai Club last Tuesday in honor of Viscount Willingdon and Professor W. E. Soothill of the British Boxer Indemnity Commission. The Very Rev. Dean C. J. F. Symons presided.

The new library of the Commercial Press of Shanghai will be formally opened with appropriate ceremonies from 10 a.m. to 5 o'clock P. M. May 2. The Library is located in the compound of the Company's premises on Paoshan Road.

Pursuant to instructions of the shareholders of the Asia Realty Company, Fed. Inc., U. S. A., held on February 26, 1926, the Management of the company has recently paid an Interim Dividend of 7 per cent on shares of stock as of record January 1, 1926.

A *Kuo Wen News Agency* report states that Marshal Sun Chuan-fang will be in Shanghai in a week or two, when he will officially assume the concurrent post as the Director-General of the Shanghai and Wusung Special Area, with his headquarters at the Lung-hai Yamen.

Mrs. Walter Brune and her young son Carl were passengers on the *President Taft*, which arrived at Shanghai last Sunday from San Francisco, where they have been visiting. Mrs. Brune sailed the same week for Manila to join her husband, who is manager of the Eldorado Oil Works in that city.

Julean Arnold, American Commercial Attache in China, will speak on "The Development of Chinese Economic Resources" at the World's Chinese Students' Federation, 95 Carter Road, at 7 o'clock on Saturday night, May 1st. Admission tickets may be obtained free on application to the Students's Federation.

The removal of *Liberty*, the weekly magazine published by the Chicago Tribune, from the list of publications barred from Canada, has been announced by the Department of Customs and Excise. *Liberty* was banned from Canada several weeks ago after it had published articles about the late Queen Mother Alexandra which the department considered libelous.

E. S. "Buck" Schloss, tobacco representative in Shanghai, left last Thursday for the United States on a business trip. Mr. Schloss has identified himself in numerous sports, including boxing, football, S. V. C., and lately rowing, being one of the most promising "griffins" that the American crew obtained this season. A farewell dinner was given Mr. Schloss by W. E. Sauer and the entire American rowing crew on last Monday night at the Astor House.

Edwin S. Cunnigham, American Consul-General, as menber of the Alumni Association of the University of Michigan, has been informed that the third annual meeting of the University of Michigan Clubs of the Eighth District is arranged for August 5, 6 and 7 in San Francisco. A cordial invitation has been extended to the Alumni of the University of Michigan in Shanghai to attend this meeting in the event that their periodic visits to the United States will take them to the Pacific Coast around that date. The Field Secretary in extending the invitation to the Alumni Association in Shanghai states:—

"Shanghai is a suit in this farflung district and I know of nothing which would be of greater inspiration to the delegates than to find in their number a representative from Shanghai. I wish you would scatter the word among your members so that if anyone should be planning a trip to the States around that time they could arrange their schedule to be in San Francisco for the meeting." This news item will of great interest to graduates of the University of Michigan in China.

According to a recent issue of the *Manila Bulletin*, the Commercial Pacific Cable Company has announced that a special cable letter "CLT" service is now available between Manila and Honolulu, the rates being $3.25 for 20 words or less. Extra words are charged 16¼ cents gold each. "CLT" messages will also be accepted in Manila for other points in the Hawaiian Islands provided the words "Post Honolulu" are included in the address. Charges will be made for these two words.

There have been many changes in the business personel of Changsha lately. G. H. Edwards of Butterfield and Swire is leaving for England after completing twenty-five years of service in China. E. F. Ratti of Jardine, Matheson & Co., is leaving for Ichang, his place being taken over by J. Feely, who with Mrs. Feely, recently arrived from Shanghai. F. W.

W. Valpy, supervising engineer of the Changsha section of the Canton-Hankow railway, and Mrs. Valpy are going to England on leave. They expect to return in October.

Messrs. Hallett Abend and O. C. Carter, representatives of the *North American Newspaper Alliance*, 63 Park Row, New York, were in Shanghai for a few days last week on their way to Hongkong, Canton and Manila. They are writing a series of articles dealing with the Far East and after a few weeks expect to return to Shanghai for a general trip through Central and North China. Mr. Abend was formerly city editor of the *Star-Bulletin* at Manila and later city editor of the Los Angeles *Times*.

In their report for the year ended December 31, 1925, the Shanghai Horse Bazaar and Motor Co., Ltd., state that the balance to the credit of profit and loss account is Tls. 54,058.61, including Tls. 20,134 31 brought over from 1924, which the directors recommend shareholders to deal with as follows: Dividend of 8 per cent, Tls. 21,000; Bad Debts Reserve, Tls. 722.66; Building Reserve, Tls. 4,000; Bonus to Staff, Tls. 7,012.97 and Balance carried forward, Tls. 20,722.98, making a total of Tls. 545,08.61.

Shanghai is being delighted this week with the A.D.C.'s presentation of "The Merry Widow", which is running at the Lyceum Theater. The performances are drawing a full house each night which speaks for itself as to the quality of talent put forward. Not only do the principals in the cast play their roles effectively, but the comedy is spicy and racy and the costumes and scenes are elaborate, gorgeous. The male chorus do acquit themselves very creditably while Mrs. Iseman as Sonia, the Merry Widow, played the dashing part with perfection.

The Shanghai Market Prices Report for the July-September, 1925 period has been published and distributed by the Bureau of Markets, Ministry of Finance, 50 Avenue Edward VII, Shanghai. The publication is issued quarterly and is made up of three parts; (1) tables and charts of monetary conditions and index numbers of prices in China and foreign countries and a general business review of the period. (2) Wholesale prices of foreign and native goods and (3) Appendix. It is published both in English and Chinese.

James B. Underwood, an American citizen, and T. Mac-Gowan, a British subject, were arrested in Chefoo recently upon instructions of the Tientsin authorities, charged with the alleged embezzlement of a considerable sum of money from a Chinese militarist interested in the purchase of arms. Both have been taken back to Tientsin where they are being held for investigation. The sum of $21,000 was found in the prisoners' possession when they were arrested at Chefoo and according to a report in the *North China Star* a further sum of $14,000 was found deposited in a Tientsin bank. A further sum of $6,000, according to the report, was still unaccounted for.

The International Mixed Court on Monday of this week handed down a decision finding three Chinese fish dealers guilty of skinning frogs alive and assessed fines of $5 each. The complaint was brought on behalf of the Civil Governor of Kiangsu Province, who alleged, according to the translation, as follows: "The livelihood of the population depends upon the farmers. The importance of the farming agriculture is to destroy the bad worms. In times of Spring and Summer frogs are reared and eat up the bad worms naturally for food. This helps the farmers very much in getting away the bad worms. They are ignorant people or naughty boys catching the frogs for food. Its results will harm the farmers. From now on such actions shall be done away with. All the police of different places should by duty investigate. If someone is found catching frogs still punishment should be meted out without leniency."

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News from South China

To reappear actively in the Kuomintang Army instead of being but a commandant of the Central School of Politico-Military Science General Chiang expects to again act as Inspector-General of the Army.

Residents in Honam, the south side of Canton City, are petitioning the Kuomintang to exempt infants and children from arrests in connection with actions of their parents. The latest case was that, on April 18, the 4th Company of Strike Pickets stationing at Honam, raided a home and took into custody some 170 cases of piece-goods stored there and also women and children in that home. It is being alleged that the piece-goods were of British origin and imported from Hongkong, but that the importers, owing to picket vigilance around the godowns and stores handling this line of goods, have tried to avoid detection by keeping them in a private home.

Kuomintang Journals in Canton are demanding the taking over by the Kuomintang of the Canton Christian College, a missionary institution chartered by the University of New York in America. The dissatisfaction with the College has grown out of the recent expulsion at the request of the student body, of three students for misconduct. These three students, being all members of the Kuomintang, in their complaints to the Central Fxecutive Committee, alleged that they had been dismissed because they were Bolshevists. The Kuomintang, therefore, soon after the incident, ordered the College to re-instate its comrades, which was refused. The students as a whole are standing by the College, and among the 83 Chinese members of the Faculty voting on the issue at a meeting held April 8, some 80 decided to back up the College action, while only three stood otherwise. The trouble originated from a students' union meeting held outside the College with students from other institutions on April 4, when the three students concerned, never asked by their fellow school-mates of the College, tried to participate in the proceedings, from which, of course, they were ejected. The three boys, soon returning with armed pickets enlisted from a neighboring labor union, broke up the meeting.

By mutual understanding between the Bolshevists and non-Bolshevists in the Kuomintang in Canton, it has been decided that the Bolshevists should henceforth limit their activities among the people and not in the military circles. The Bolshevists, under the name of Commission of Militia, people's volunteers, have just issued 16 regulations governing formation of armed forces among the local inhabitants. By these regulations, if honestly carried out, the country people will not only receive training in military but also political science which should help them in local self-government and the promotion of civic activities very helpful to individuals as well as to the community.

Under the auspices of the Kuomintang Peasants' Leagues, a department solely directed by Bolshevists, a convention of farmers will be held on May first at Canton, in connection with the coming labor conference which will be in session about the same time. The Kuomintang expects to have 260 farmers' delegates representing, they say, some 800,000 members of the Peasants' Leagues throughout the Province of Kwangtung.

Until General Chiang Kai-shek published his long statement showing how he had, long before March 20, tried to effect peace and co-operation between the Bolshevistic and

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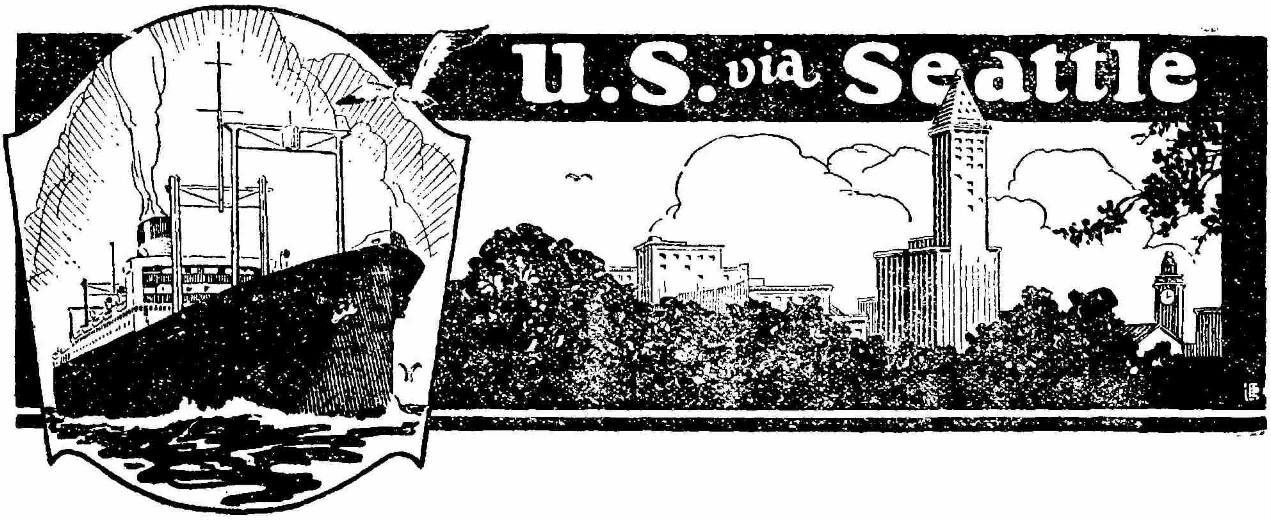

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To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the petition in the above entitled action upon the defendant

Louis H. Mitzelfelt,

and to notify him to be and appear before this Court on or before the sixtieth day after service hereof to file his written answer on oath.

(SEAL) WITNESS the HONORABLE MILTON D. PURDY, Judge of the United States Court for China, at Shanghai, China, April 6, 1926.

L. T. KENAKE
Assistant Clerk.

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

non-Bolshevistic sections within his military academy, many writers of Canton affairs in the vernacular press had to use the terms of "Left" and "Right" to divide the different schools of politics. A few anti-Red journals in South China, however, still doubt the sincerity of those formally having declared the dissolution of the Communists Youth Party in the Kuomintang Army.

With the resignation of M. Remy, a Russian, as Director of Kuomintang Aviation Bureau in Canton, every government department is now free of Soviet direct control. The Russians now with Kuomintang service are all acting as advisers and experts only.

In addition to military operations along the line beyond Yingtak Station, the Canton-Hankow Railroad, Kwangtung Section, has on hand another difficulty preventing full running of the trains according to scheduled time.

Anti-Red sympathizers above Yingtak, along the Canton-Hankow Railroad, Kwangtung Section, who were forcibly preventing details of Kuomintang 2nd Army from going to Hunan to assist opponents of Wu Pei-fu there, are being defeated, according to reports reaching the Kuomintang Headquarters at Canton. On April 16, the Reds succeeded in capturing the Pepa Hill, stronghold of their enemy; but it cost a casualty of nearly 100 officers and men, more than 90 shells, and upwards 50,000 rounds of ammunitions. Part of the villages around Pepa Hill was destroyed.

The railroad service on the Canton-Hankow, Kwangtung Section, line has additional trouble. The employes of the Kwangtung Arsenal, at Shekcheng, near Siuping Station, have declared their vengeance against the line, all because one of the arsenal employes has been put out of the train for not possessing a ticket for stations beyond Siuping. Arsenal workers, being members of Kuomintang, are entitled to free rides, but this courtesy is supposed to be intended for workers going to or from the arsenal on duty but not for excursion trips. Railroad workers, likewise comrades within the Kuomintang, have presented their grievances to the Central Executive Committee for advice and instruction.

Railroad management along the Canton-Hankow, Kwangtung Section, does not appear to be in order under present circumstances. It is now being pointed out that from the $2,400,000 annually expected from the traffic receipts, more than $1,000,000 have to go towards military contributions; and although it has been the intention of the management to reserve some $365,000 a year for improvement, it has not been able to realize this, because of frequent interruption of service, which means a loss of $5,000 to $6,000 each day of suspension.

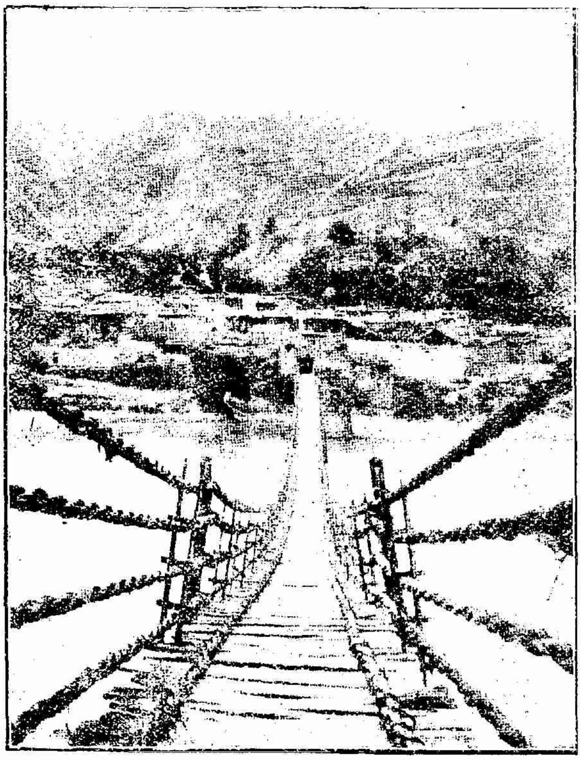
In addition to $2,400,000 traffic receipts yearly or about $200,000 monthly from traffic receipts on the Canton-Hankow line, there are also a miscellaneous income of some $96,000 from transfer service, $30,000 from land rent, and $8,000 from mail transportation. Although the line is a little over 400 *li*, less than 140 miles, long, it is now employing 2,500 men, besides policemen. According to latest figures, payrolls for the traffic department, monthly, $38,000; locomotive, $86-000; works and maintenance, $44,000; police, $5,400; office staff, $15,000; inspectors, $900; medical department, $4,000; and miscellaneous, $6000. It requires 2,200 tons of coal monthly to operate the trains, costing about $50,600. Formerly the officials in charge receive a commission or rebate of three dollars a ton for coal bought, but the present managing-director says he has cut this "squeeze" off. One of his predecessors made on interests and gifts from special concessions alone within a short term of office something like $130,000.

A few share-holders who were members of the Kuomintang and expect some day to see the line released back to them for management by the existing regime met on April 15 and appointed the following as candidates from whom the Kuomintang will appoint a committee to advise it in the future administration of the Canton-Hankow line, Kwangtung Section: Kan Ying Po, Hoh Ka Chung, Lum Cnak Sang, Kom Shau Ki, Milton H. Yung, and Kwok Shoon Ling.

To eliminate too much "squeeze" by the purchasing departments of the Canton-Hankow and other railroad lines in Kwangtung, the Kuomintang in Canton is now appointing the buyers directly independent of the management.

According to share-holders who expect to some day reclaim the Canton-Hankow Kwangtung Line, where free tickets are limited to Kuomintang leaders and labor union heads only, members of their families and relatives and friends subjecting to payment of fares, traffic receipts should return to former amounts of $12,000 a day.

May first next, Labor Day in Canton, is being looked upon with as much interest as with concern. The Bolshevists in the Southern Capital, while formally withdrawing from



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directing the policy of the Army, have been encouraged to retain all their influence with the Labor Division of the Kuomintang. On May first, a couple thousands of labor delegates, a majority being Reds, will meet in Canton in convention, this time some 260 peasants' delegates joining. In Canton these days not a few labor leaders have deserted the Kuomintang, and it is feared that, in the coming "national convention of labor", like that of local unions a month ago, the "Red" or "anti-Red" will creep into the discussions which usually result in the split of the convention.

Hsu Su Chung, Kuomintang director controlling the Canton-Hankow Railroad, Kwangtung Section, has issued a circular supporting the proposal to utilize the portion of the Boxer Indemnity to be remitted by Great Britain for the completion of this line from Shiukwan, where it now terminates, to Hankow, some 445 *kung li* of which yet to be constructed begore the line is complete. Mr. Hsu points out that some $60,000,000 and four years' time may be required to undertake the task, but its completion will afford an income of $6,000,000 a year from this section. He suggests that a board representing gentries of Kwangtung, Hunan, and Hupeh Provinces, in co-operation with commissioners from Great Britain, should supervise the work.

Beginning with April 17, not only intended emigrants on board foreign vessels to leave Canton but also local and coastal steamship passengers are subject to inspection of Canton Police. A vessel may not leave Canton without a police permit certifying that the she has been properly inspected.

A pretty wedding, in which the Hongkong Chinese community was particularly interested, took place at St. John's Cathedral, April 20, the contracting parties being S. B. Tan, son of the late Mr. and Mrs. Tan Cheng Tuan, of Singapore, and Miss Elizabeth Iu Sien Wong, daughter of Mr. and Mrs. J. M. Wong, Hongkong.

At St. John's Cathedral on April 17, in Hongkong, Miss Rose Lau, daughter of Mrs. Siu Check Lau, and Dr. S. F. Tan, son of Mr. and Mrs. Kwan Sing Tan, Heungshan, were married, the Rev. T. B. Powell, officiating. Dr. and Mrs. Tan will make their home in Tientsin.

At the Rhenish Mission, Hongkong, on April 17, Jeu Tien Liang, son of Dr. and Mrs. Jeu Hawk, was married to Miss Law Yuet Sin, daughter of Mr. and Mrs. Law Chun Sin. The Rev. Wong Oi Tong officiated. Mr. and Mrs. Jeu expect to leave Hongkong shortly for the North.

Three Chinese living at No. 24, Yee Woo Street, Hongkong, were charged before the local Magistracy April 20, with possession of a bomb. It was but recently when one Chinese man and one woman were sentenced to serve five and four years respectively for the same offense. A month ago some one threw a bomb near the entrance to the Taikoo Yards at Hunghom and injured nine persons severely, one injury being fatal.

On April 16, at the Great Eastern Hotel in Hongkong, Tang Pak Oi, a well-known Canton merchant, found that $10,600 worth of notes which he was carrying with him, were missing from his room, and he at once reported it to the police who, two days later, succeeded in recovering the money intact from one of the friends of the victim. It appears that there is a "woman in the case" and friends offering to introduce women to one residing in a hotel should be well watched. Mr. Tang, having recovered his money, did not care to prosecute, but the law would not allow the matter to drop so easily.

The Hongkong Baseball Association, which will open its 1926 season sometime in May next, has elected the following officers for the ensuing year:-President, C. S. Ransom, Hongkong Baseball Club (American); Vice-President, W. Logan, Hongkong Volunteer Defence Corps; Hon. Treasurer, L. R. Ildefonso, Filipino Club; and Hon. Secretary, Hin Wong, South China Athletic Association. The Governor of Hongkong has been invited to become the Patron, and the American Consul-General at Hongkong, Honorary President, of the Association. Last season the South China and the Japanese teams headed the league in the games played.

Wong Kok Shan, general manager of China Steel Products Company, an elder brother of one of China's ex-Premiers, Dr. Wang Chung-hui, passed through Hongkong about the middle of April on his way to Java on business by way of Manila, Singapore, and other ports. Mr. Wong has two other brothers in Hongkong, Professors C. Y. Wang and C. C. Wang of Hongkong University. Mr. Wong, when a young man, was a student of Queen's College in Hongkong.

Ching Tso-yee, A. M., Columbia University in New York, at one time a professor in the Kwangtung University, Canton, has been appointed to the faculty of St. Stephen's College for Boys of Hongkong, one of the leading institutions in this Colony.

Canton, April 21, 1926.

News from Central China

The train carrying the Members of the Extrality Commission arrived in Hankow this week. There were only one foreigner and three Chinese on board, but from none of them could any information be gathered.

The new Kiangsi Tupan, Gen. Teng Yu-tso, gave a dinner to the Consuls at Kiukiang on the 17th. The following day he made a farewell speech to his troops and afterwards left Kiukiang for Nanchang to take up the tupanship.

Marshal Wu Pei-fu entertained a number of members of the Parliament at a banquet at the Chinese Merchants' Club on Tuesday afternoon. The M. P.'s at Hankow are preparing to depart in the next few days for Peking, as Parliament will be soon reconvened. The Allied Commander-in-chief delivered a lengthy speech at the banquet stressing the fact that the National Constitution must be readopted at an early date and must be respected by both the civil and military leaders of the government.

Upon instructions from the Tupan's Yamen, Wuchang, the local Bureau of Police Affairs, has issued an order prohibiting students in the various schools here from making radical speeches in connection with either the political situation or the labor conditions in Wuhan. The local police authorities declare that at this time of political unrest, it is important that the students refrain from paying any attention to Bolshevist propaganda and from stirring up trouble among the working class.

General Sun Wu, head of the Hupeh Government Mining Bureau, has issued a denial of the recent reports in the local vernacular papers that he has mortaged certain provincial mines to Japanese bankers. His lengthy letter of denial is published in the native press.

Dr. V. K. Wellington Koo, former Minister of Foreign Affairs, and Lo Wen-kan, former Minister of Justice, who came to Hankow from Shanghai about two weeks ago to pay a visit to Marshal Wu Pei-fu, left for Nanking of the s. s. *Kungwo* last night. Sun Tan-lin, President of the Chung Hua Industrial Bank, and former Minister of Interior, also left for down river on the same steamer.

At a recent meeting of the Board of Managers of the Home of Refuge for Chinese Women, Dr. S. Wolfe, of the Wesleyan Hospital for Women, Hankow, was appointed Chairman, succeeding Dr. Byles who has left on furlough. Mrs. A. M. Guttery was made Treasurer to succeed Mrs. Littell, who has left for Kuling.

Marshal Wu Pei-fu has wired to Dr. Wang Chung-hui expressing a welcome to the Commission on Extraterritoriality and offering full protection to the party when it come to Hankow.

General Tang Sen-chih, the new Governor of Hunan of Province, has issued a circular asking for relief for famine sufferers in Hunan. General Tang says that as a result of last year's drought, practically all the rice crops in the province have been destroyed. Thousands of people are now starving in the stricken districts.

As a result of repeated petitions from president Chen Shih of Chung Hua University, Wuchang, Shih Chih-kao, a student leader of that institution, who was arrested by order of the late Marshal Hsiao Yao-nan for stirring up trouble in the various government schools over four months ago, has been released. It is understood that Tupan Chen Kai-mu has demanded a personal guarantee from the college head for the proper conduct of the radical youth after his release.

The newly appointed general manager of the Hanyang Arsenal, Gen. Hu En-kwang has announced his assumption of the post. The appointment is said to be popular as he is considered to be of strong character. He was formerly manager of the Kungshan Arsenal when Marshal Wu Pei-fu was at Loyang.

It now appears that despite the exensive celebrations prepared in honor of Wu Pei-fu's birthday on Sunday the the occasion made no difference to the Marshal's routine at Headquarters where he remained at work as if there was nothing untoward in the day. In consequence he did not attend the most important celebration which was held at the China Merchant's Club.

Marshal Wu Pei-fu has definitely decided to launch a campaign against General Tang Sen-chi, who ousted Chao Heng-ti from Changsha and seized the Hunan governorship over two months ago. The war clouds which have been hovering over the Hupeh-Hunan border are making rapid headway now and it does not seem likely that Marshal Wu Pei-fu will leave Hankow for the north until the Hunan affair is settled.

Hankow, April 24, 1926.

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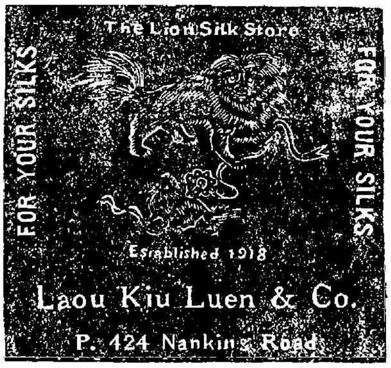

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New Books and Publications

The Character of Races

The Character of Races as Influenced by Physical Environment, Natural Selection and Historical Development, by Ellsworth Huntington, Research Associate in Geography in Yale University. Charles Scribner's Sons, New York-London, 1924. pp. XVI-393. Price $5.00.

This book, as may be seen from the title, deals with the problem to which the public interest has been enormously augmented during and after the World War. It not only treats the problem of population, racial relations and racial struggle, but it is the only work which looks at the problem from a broad biological point of view, that is, the influence of environment upon the races.

Although the author originally worked along the line of geographical and especially climatologica problems, his inclination to human studies led him to the problem of Civilization and Climate (published in 1915) and at last to the problem of races. As a new attempt, especially in a popular form, at creating a new scheme this work leaves many points for criticism. However we want not to point out its weak sides but its value as a new scheme which remains to be seen whether it will later be rejected altogether or corrected and adopted. Anyhow, it will leave some traces in the history of the problem and for the time being it is stimulating further research along this line and it attracts the reader's attention to the problems of greatest importance from both scientific and practical (political) standpoint.

Indeed, for us living in China the four chapters dealing with China are the most interesting ones. The author believes in the inferiority of the Northern Chinese compared with the Southern Chinese. According to him this inferiority depends upon the natural selection implied by periodical famines resulting in permanent migrations of the Northern Chinese. He points out a striking superiority of Hakkas who according to him are pure Northern Chinese. They migrated southward being originally selected as the most active and resistent individuals. However this opinion cannot be justified by recent anthropological investigations and the definition of Hakkas as "the cream of the Chinese" seems to be colored by personal sympathy for Hakkas according to those whose information about Hakkas has been used by the author. Another instance of active selected Northern Chinese the author finds in Manchuria where the Chinese according to him are "progressive" nearly as much as Americans. Indeed for those who are familiar with the differences observed among various segional groups this assertion may seem to be unsufficiently supported by the facts. There are some differences but they are not so striking as the author supposes and the influence of local blood ought not to be omitted from one's point of view. Moreover, if one excludes the activity of the Chinese resulting from admixture of alien blood and various foreign influences, the differences between the Chinese of Manchuria and their brethren in Northern China may hardly be disclosed. By these remarks the criticism of the chapters dealing with China is not, of course, exhausted. The facts dealing with the Chinese are numerous and very originally grouped. The author's conclusions are most interesting and significant. These chapters, showing the problem in a new light must attract the attention of investigators and simple observers of the Chinese.

Hoping that the author will later check up his conclusions and test them by further investigations, we may express our satisfaction with the fact that the problems of racial character and particularly that of the Chinese are set forth in a new, vivid and popular form for discussion.

S. Shirokogoroff.

Shanghai,
April 23, 1926

Mr. Lippard's Trip To China

The April or Eastern number of *Missions*, the "International Baptist Magazine" contains an extensive illustrated article entitled, "In the Wake of the Storm in China," which deals with the impressions of Mr. William B. Lippard, Associate Editor of the magazine who traveled extensively in China last year. "Any ancient notion that may have been held by Americans that China was a land of infinite calmness and that the Chinese were a people of eternal patience, has long since been eliminated," is Mr. Lippard's decision regarding the China situation as indicated in the opening sentence of his report. Characteristic Oriental courtesy is still in evidence but it is the courtesy that a man extends to an equal and not the servility that is accorded to a superior, is his further conclusion. The issue also contains an article by Dr. F. J. White, President of Shanghai College, Shanghai, on the subject, "Shanghai College Graduates in Active Christian Service." There are a number of excellent pictures showing Chinese life which were snapped by Mr. Lippard while he was in China. *Missions* is published monthly, the editorial offices being located at 276 Fifth Avenue, N. Y.

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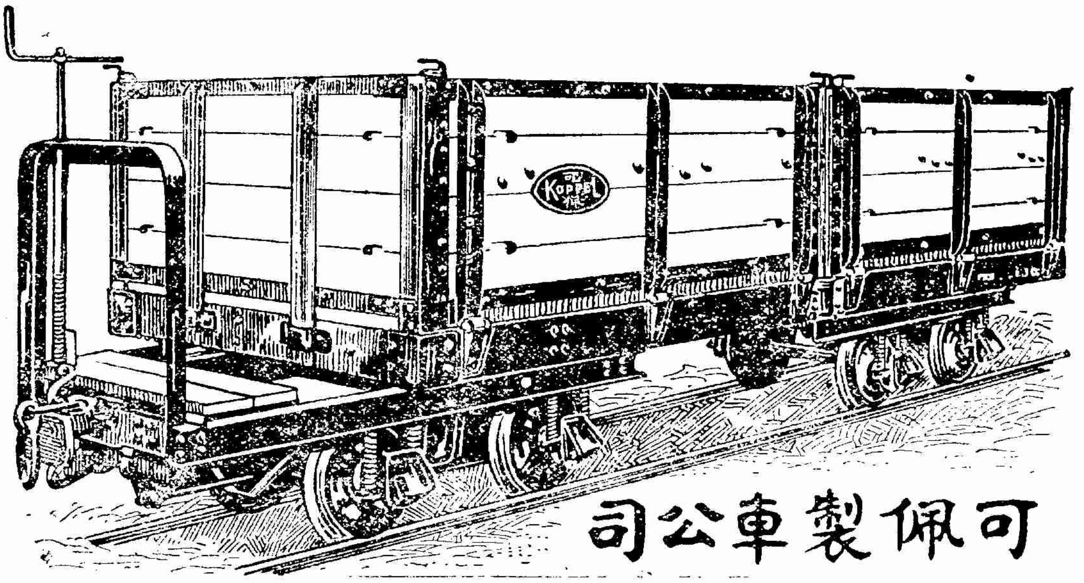

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The Week in the Far East

The transfer of control at Peking has been effected, so far, without fighting and bloodshed or distrubances within the Capital. Peace and order have been maintained by private initiative, and the cooperation of the police and of military units which, whatever their former political affiliations, have considered it their duty to make the maintenance of order their first care. Upon the request, or suggestion rather, of Marshal Wu Pei-fu, Marshal Tsao Kun, ex-President, has declared his intention to retire from public life, restoring the W.W. Yen ministry which was formed in October of the 13th Year of the Republic of China and making the Ministry take charge of the duties of the Chief-Executive. In an interview printed in the *North China Star* (Tientsin) Dr. Yen declared that he has no desire to merely become an official again but that he might consider the question of accepting the premiership provided that there was "an unanimous call for him and complete support offered." Dr. Yen, whose name has been mentioned in connection with the formation of a regency cabinet, said that no government could be of any good in Peking unless it had the support of the provincial leaders, who would refrain from further warfare, and agree to the naming of a fairly representative group of cabinet members. Marshal Tuan Chi-jui, the "retiring" chief executive, who resumed office after the defeat of the Kuominchun possibly for the purpose of maintaining the pretence of constitutional continuity and to avert the suspension of recognition of the Peking Gevernment by the Treaty Powers, has finally retired for good and has left Peking. According to a report in the *Hankow Herald*, Marshal Wu Pei-fu received a telegram from the Chief Exective stating that he has held office for more than a year during which period the situation has been more chaotic than ever and that he has exhausted both his mental and physical energies. "I have therefore decided to retire from my office", he states, "and be a common citizen of the Republic. I shall watch with pleasure any steps toward national reconstruction." (Signed) Tuan Chi-jui. The Marshal is said to have proceeded to Tientsin.

Dividing the Spoils

At a military conference held recently in the presence of Marshal Chang Tso-lin, which was attended by Generals Yang Yu-ting, Wu Chung-sheng and other high military and civil officers, the following matters are learned to have been decided upon, according to a dispatch published in the *Peking & Tientsin Times*, (Tientsin):

1. The work of bringing about peace in China shall be entrusted to General Chin Yung-peng.

2. The Fengtien army shall give its negative support to the Chihli Shantung allied forces *vis-a-vis* the Kuominchun, letting Generals Chang Tsung-chang and Li Ching-lin attend to positive military operations.

3. General Wang Shu-chang shall be detailed to Hankow to discuss with Marshal Wu Pei-fu ways and means of re-establishing order after hostilities have been suspended.

4. The picked troops under Generals Wan Fu-lin, and Mu Chun shall be stationed at Linyu, Lanhsien and Fengjun against emergencies.

5. Regions outlying between Peking and Tientsin, including the two metropolitan cities, shall be left in the hands of the Chihli-Shantung allied forces.

In addition, matters relating to the reorganization of armies in the Three Eastern Provinces, frontier defence, change of various district magistrates in Fengtien Province, financial adjustment, increase of taxation, etc. were discussed and decided upon.

It is said that General Wang Shu-chang, Chief of the General Staff of the Fengtien Army, has left for Tientsin *en route* for Hankow. He is to return the courtesies of Marshal Wu, who detailed Mr. Teng Chun to Mukden to congratulate Marshal Chang on the occasion of the latter's birthday celebration, and at the same time to consult the Hankow Warlord on questions relating to the Peking situation. General Wang's mission is considered to be fraught with greater importance than at the time when Mr. Chang Ching-hui was despatched to Hankow by Marshal Chang.

Chang Not Interested in Peking

There must necessarily be a period of uncertainty as to the future of the Government, while the militarists are exchanging views. Both Marshals Chang Tso-lin and Wu Pei-fu have their confidential representatives sent to each other to decide on some common policy. It is stated that both these militarists have profited from their past failures so that they are not so politically ambitious as previously. In an *Asiatic* dispatch published in the *Peking Leader*, the Mukden warlord agrees to allow Wu Pei-fu full control of Peking affairs this time, though, of course, he will be consulted in questions of importance. "At the same time", says this report, "Wu Pei-fu is reported to be very sincere and courteous towards the Mukden leader as well as Generals

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Sun Chuan-fang and Yen Hsi-shan so that it is expected it will take same days before a concrete plan of policy can be worked out by the "big four", viz: Chang, Wu, Sun and Yen. The Kuominchun leaders are now being dropped out of Peking politics as non-important factors." This report that Chang Tso-lin was to allow Wu Pei-fu more or less of a free hand in Peking is also expressed in an interview which the Manchurian Marshal gave to the *United Press* and published in the *North China Star* (Tientsin) In this interview, Chang manifested little interest in Peking affairs and stated that his task is done with the capture of the Capital. "My troops will withdraw and I shall devote myself entirely to the problems of Manchuria and shall keep out of politics in China," he said.

Wants Karakhan Recalled

Negotiations were conducted by Chang Kuo-shen, under orders from Marshal Chang Tso-lin, with the Sovtet Consul-General in Mukden for the recall of Comrade Karakhan, the Soviet Ambassador at Peking. The demand was made because a plot was exposed in which the Ambassador has instigated Chinese students to Bolshevize China and also on account of the fact that he had rendered assistance to General Feng Yu-hsiang in prolonging internal disturbances in China. These charges were verbally conveyed to the Soviet Consul-General. On March 24 and April 1 Mr. Chang Kuo-shen personally called at the Soviet Consul-General. After explaining the state of affairs in Peking, he asked the Soviet Government to give grave reflection to the matter and requested an official reply. On April 6 a reply was addressed to Marshal Chang by the Soviet Consul-General, in which he stated that the demand for Ambassador Karakhan's departure was of special importance from an international point of view, and requested that Marshal Chang should consider the matter with great care. Mr. Chang replied with the hope that Comrade Karahkan's withdrawal from Peking would not be allowed to affect the diplomatic relations between China and Soviet Russia.

GENERAL NEWS SUMMARY

April 24—A new proposal for the settlement of the French debt to the United States has been put forward: meanwhile attempts are being made to reach some solution for the British budget——Negotiations are reported afoot for the purchase of the White Star Line, of which J. P. Morgan is cheifly interested, to British interests——The Russo-German treaty has been signed——A number of casualities have been reported as resulting from the religious riots in Calcutta——Japan denies the report that she was considering withdrawing from the Peking Tariff Conference——Financial arrangements are made to honor the Fengtien notes which are being freely circulating in Peking.

April 25—The "Wet" and "Dry" debate in the United States Senate is drawing to a close——The Argentine has accepted the invitation to participate in the preliminary disarmament conference——A South African financier has arrarently gone to Russia to open commercial negotiations with the Soviet——The membership of the Italian Fascisti has practically doubled itself during the past year, according to report——Leningrad and Moscow appear to be in danger of floods——An important arrest has been made in Japan in connection with an alleged political scandal——A round table conference is suggested as a means of solving the Indian problem——Marshal Chi Hsieh-yuan arrives in Peking.

April 26—A plebiscite will probably have to be held in Germany to decide whether or not the property of the former rulers of Germany shall be confiscated without compensation——Japanese news agencies are combining their services to secure a better foreign news service——The Spanish aviators are expected in Manila during the week——The new Shah of Persia has been crowned——The negotiations between France and Russia with regard to the latter's debts are still in progress——The editor of a Chinese newspaper in Peking is shot for disseminating "Red" propaganda.

April 27—The French and Spanish governments have given the Riffs until May 1 to complete negotiations for peace——The United States Senate has ratified the Belgiam debt settlement——The trial of the alleged British spies has opened in Paris—-Morgan, Grenfell & Co., state that reports concerning the purchase by British interests of the White Star Line are premature——Comrade Ivanoff has left Harbin——Further casualities are reported in the religious riots in Calcutta——Winston Churchill's budget, introduced into the House of Commons on Monday, shows a new departure in the way of taxation——The International Sleeping Car Co., has completed arrangements with the Soviet in connection with the Trans-Siberian Railway——The Allied commanders are continuing their war on the Kuomimchun forces with great vigor.

Two American Shipping Lines May Amalgamate

Announcement that the American Pioneer Line, operating nineteen Shipping Board vessels in services from Atlantic and Gulf Ports to the Far East and Dutch East Indies is to be included in the Australian services has stimulated interest in the expected offering of the combined services for sale, according to the *N. Y. Maritime Register.* It was reported that E. M. Bull, now operating the American West African service of the board is likely to be one of the bidders. Other prospective bidders are John M. Franklin, Henry Herbermann, Robert G. Moran, Kermit Roosevelt, A. F. Mack and Oakley Wood, vice-president of the Barber Line, whose bid is to be made not in behalf of the Barber Lines, but of the Atlantic Gulf & Oriental Steamship Company, organized to take over the combined Shipping Board services operated by the Barber and Tampa Inter-Ocean Lines.

It was also reported that Mr. Roosevelt, who has returned from a combined business and pleasure trip to India, proposes to take an active part in the proposed negotiations. He left for Washington last night. It is understood that he proposes to make it clear that his company is a strictly American organization with no foreign affiliations which could be construed as interfering with its operations of the American India Line for the Shipping Board. The stock of the Roosevelt Steamship Company, he said, is owned entirely by members of the Roosevelt family.

A Chinese shroff who embezzled the sum of $25,000 from the Shanghai Commercial and Savings Bank last December, was given a sentence of three years in prison in the International Mixed Court last Tuesday. The case was heard by American Assessor Bucknell and Chinese Magistrate Kuan and according to the evidence the shroff had been sent to the Post Office to mail the parcel containing the money, but disappeared. He was later arrested by the French police and $24,000 of the sum recovered.

The Pan-Pacific Association of Shanghai gave a dinner on Wednesday, April 28 in honor of a number of prominent Japanese who are at present in China as members of a Commission from the Hawaiian Islands. The speakers included, Dr. Iga Mori, trustee of the Pan-Pacific Union; Mr. Shinji Maruyama, editor of the Nippu *Jiji;* James I. Nishikawa, deputy tax assessor, Honolulu; Mr. Yeichi Yamshiro, Hawaiian Contracting and Dredging Company.

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From the Chinese Press

The following news items pertaining chiefly to Chinese affairs are taken from the reports of the (Chinese) Kuo Wen News Agency and the (Japanese) Eastern News Agency.

Tientsin, April 17.—Marshal Wu Pei-fu, according to a dispatch received here from the Marshal's headquarters at Hankow, has demanded the resignation of both Provisional President Tuan Chi-jui and former president Tsao Kun and that Dr. W. W. Yen undertake the formation of a temporary cabinet to administer the Government. Marshal Wu favors the re-establishment of constitutional government and the election of a parliament in accordance with the terms of the constitution.

Peking, April 17.—The International Extraterritorial Commission which was expected to leave Peking today, has been delayed on account of the disrupted railway traffic and the failure of the Government to provide protection.

Shanghai, April 17.—Although the price of rice here has dropped to Mex. $15.90 per picul (133 pounds) it is still causing distress on the part of the poor people and further price-regulation in recommonded on the part of the authorities.

Shanghai, April 17.—The Chinese General Chamber of Commerce has recommended to the Chinese naval authorities that patrol boats be stationed along the coast to prevent non-Chinese interests from engaging in illegal fishing in Chinese waters.

Shanghai, April 17.—The Chinese General Chamber of Commerce is engaged in raising the sum of $25,000 for the purpose of constructing a memorial to the victims of the May 30, 1925 riots.

Hsuchowfu, Kiangsu, April 18.—Local commercial and agricultural interests are collecting specimens of Chinese products which are to be sent to the Grand Exposition to be held in Philadelphia, Pa., this year. The products from the five South-Eastern Provinces of Kiangsu, Chekiang, Anhwei, Kiangsi and Fukien will sent in one shipment. The products will consist of cocoons and silk,........................ beans,peanuts, coal and other minerals, egg products, wines and confectionery, paintings and art works, textiles and carpets.

Shanghai, April 19.—The Chinese General Chamber of Commerce has appointed a special committee to investigate the Shanghai Land Regulations in reference to the International Settlement in adopting a resolution favoring three Chinese members on the Council of the International Settlement.

Hankow, April 19.—Marshal Wu Pei-fu has issued a statement expressing indigation at the recent proposal of Secretary Hassis of the local Soviet Consulate that Marshal Wu should break his alliance with Marshal Chang Tso-ling and combine with the Kuominchun against Fengtien. Marshal Wu brands the proposal as an attempted interference in the internal affairs of the Chinese Republic.

Tokyo, April 19.—The Japanese Government has appointed Mr. Chozo Ouchi, a member of the lower house of the Diet as chairman of Japan's "Cultural Works" in China, the purpose being to decide upon a method for the return of the balance of the Japanese Boxer Indemnity to China.

Shanghai. April 20.—It is reported that a movement has been started by Chinese interests to reorganize the Whangpoo Conservancy Commission on the grounds that this question is a part of the general question of revising the land regulations of the Shanghai International Settlement. It is stated that the income of the Whangpoo Conservancy Bureau has been increased from $800,000 to more than $1,000,000.

Mukden, April 20.—Comrade Serebriakoff, chief of the department of communications of the Moscow Government has arrived in Mukden for the purpose of negotiating with Marshal Chang Tso-ling regarding the settlement of outstanding questions pertaining to the management of the Chinese-Eastern Railway and also pertaining to the recent demand of the Mukden warlord that the Soviet Ambassador to China, Mr. Karakhan, be recalled.

Peking, April 21.—Traffic on the Peking-Mukden and Peking-Honkow railway lines was resumed today.

Shanghai, April 21.—A party of prominent Japanese including Count Y. Uchida, T. Eguchi, R. Inada and T. One and C. Yamaguchi arrived in Shanghai today for the purpose of investigating Japanese hospitals in China.

Shanghai, April 22.—It is reported that Marshal Sun Chuan-fang, tuchun of Kiangsu and Chekiang, will himself assume the office of director general of the Special Shanghai-Woosung District, Dr. V. K. Ting former head of the Geological Survey and now a member of the British Boxer Indemission, may be appointed co-director of the Special District.

Shanghai, April 23.—Marshal Sun Chuan-fang, tuchun of Kiangsu and Chekiang is now engaged in the construction of long-distance telephone lines connecting up all parts of the Five South-Eastern Provinces under his control. There will be three main stations in Kiangsu to be located at Shanghai, Nanking and Tsingkiangpu.

Shanghai, April 23.—It is reported that the foreign cigarettee dealers have adopted plans for the payment of taxes in the various provinces. The sum for Hupeh Province is said to be $4,000,000 covering five years and for Kiangsu, $1,400,000 annually.

Harbin, April 23.—It is reported that as a result of negotiations the various points of difference between Marshal Chang Tso-ling and the Soviet over the Chinese-Eastern Railway, are being settled, in accordance with which the director of the road may be a Chinese and that a new financial organ may be created to handle the funds of the railway.

Tokyo, April 24.—Considerable apprehension exists here in respect to the stoppage of shipment to Japan of iron ore from the Han Yeh Ping Coal and Iron Works at Hankow, in which Japan has large financial interests.

Hongkong, April 24.—It is reported that another deadlock has developed in the negotiations between Hongkong and Canton for a settlement of the Strike which has been in existence since the Shameen incident of June, 1925. Hongkong is absolutely opposed to the payment of an indemnity, but it is said that Hongkong may grant Canton a loan of $3,000,000 to be used for the development of commerce and industry and harbor improvement.

Shanghai, April 24.—Chinese interests are reported to be planning protests against certain foreign steamship lines operating between Shanghai and the new port of Haichow at the end of the newly completed Lung-Hai Railway.

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American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price April 15th.	Sale Price April 22th.	Approx. Yield to Maturity April 22th.
Szecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	101	101	7.90
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	97½	96¾	7.85
Republic of Chile S. F. Loan	7	Nov. 1, 1942	101	101¼	6.85
Argentine Government Ser. "A".................	6	Sept. 1, 1957	99½	99	6.05
German Government S. F. Loan.....................	7	Oct. 15, 1949	102¼	102⅞	6.75
Kingdom of Norway S. F. Loan.....................	6	Aug. 15, 1943	101½	101¼	5.90
Deutsche Renten Bank 1st Lien Farm Loan	7%	Sept. 15, 1950	97¼	97½	7.20
Can. Pac. R. R. Co. Debenture Stock	4	Perpetual	85½	85⅞	4.66
Belgian Government S. F. Loan.....................	6	Jan. 1, 1955	84⅜	85	7.25
Andes Copper Mining Co. Debentures............	7	Jan. 1, 1943	99¼	99¼	7.10
German General Electric Co. S. F. Loan......	7	Jan. 15, 1945	98	98	7.20
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan......	7	Feb. 1, 1945	95¾	95¾	7.40
Cuban Northern RR. Co. 1st Mtge. Loan.........	6	July 1, 1966	97¼	96¾	6.25
Dodge Brothers Inc. Debentures	6	May 1, 1940	94	94⅞	6.55
Republic of Haiti	6	Oct. 1, 1952	98	98	6.15
Czecho Slovak Government Ext. S.F. Loan...	7½	Oct. 1, 1945	97¼	97¾	7.75
Kingdon of Italy, Ext. S. F. Loan...............	7	Dec. 1, 1951	94½	94½	7.50

The National City Company International Bank Building No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

A Survey of Farms

A new bulletin from the College of Agriculture and Forestry, University of Nanking, entiled, "An Economic and Social Survey of 102 Farms Near Wuhu, Anhwei, China", compiled by J. Lossing Buck contains some interesting facts concerning the agricultural life of the Chinese. We are reprinting a summary of the entire investigation.

1. The farm management principles revealed in this survey are practically the same as those that have already been found to hold true in the United States. This leads us to the conclusion that the fundamental principles in farm management, as in any other branch of agricultural science, hold true the world over. The quantities and values of the various factors which make up a successful farm business vary greatly just as the application of the principles of other branches of agriculture differ but the principles remain the same. Size of business, quality of business (yield per mow and production per animal), efficiency in the use of man and animal labor and in the use of capital all bear the same relation to successful farming.

2. The owners actually lost $15.00 a year which so brings down the average that the operators as a whole lacked $16.00 of making wages, in spite of the fact that the part owners made wages twice over and the tenants made wages one and a half times over.

3. The highest profits came from the largest business. The operators on the larger farms made the most money; 50% of these larger farms making a labor income of over $50 while only 7% of the smallest farms made as much.

This fact may be accounted for partly at least in three ways. First, the actual labor costs including the value of the operator's labor and that of his family, was only one half as great on the large farms as on the small ones. In other words, labor was twice as efficient on the larger farms. Second, animal labor was one and one half times

(*Continued on page VI*)

Shanghai Exchange for Week Ending Wednesday, April 28, 1926.

By Maitland, Fearon and Brand

Exchange:—Although today's London Bar Sliver quotations, 29½d. spot and $29\frac{7}{16}$d. twa months forward only show a rise of $\frac{1}{16}$d. in the spot price since this day last week, the silvermarket has fluctuated considerably; the lowest price reached was $29\frac{3}{16}$d. and the highest 29¾d. Our official T/T rate on London is ⅜d. highet at 2/10⅝d. The local exchange market has been more active, speculators sold freely, chiefly Yen, in the earlier part of the week and contributed largely in making a firm market. At the close the is earier, though somewhat uncertain. The following rates for Gold remittances, early delivery, are available. Sterling T/T 2/10⅝d., G$ T/T 70¼, Yen 67¾.

Our stocks of Silver are reported as follows:—

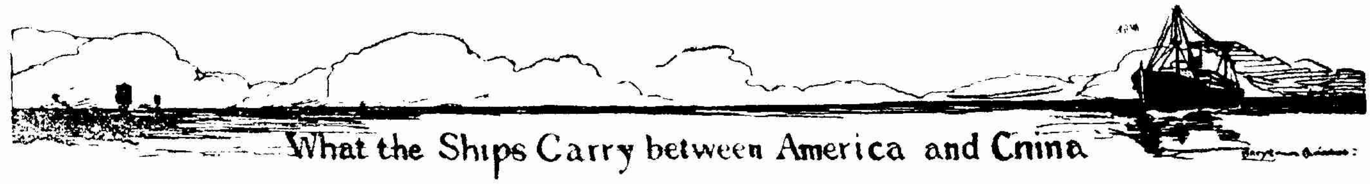
Sycee and Bar Silver........... ......Tls.	70,551,000	an increase of Tls.	899,000.
Chinese and Mexican Dollars......$	67,470,000	an increase of $	190,000.

Estimated value Tls. 119,129,000 as against Tls. 10:,253,000 held at this time last year.

	Average rates for March	Thurs. April 22	Fri. Apr. 23	Saturday Apr. 24	Mon. Apr. 26	Tues. Apr. 27	Wednesday April 28
Bk's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/11 962	2/10¼ 2/10½	2/10⅛	2/10¼	2/10½	2/10¾	2/10⅝
O/Dfts. ,,	—	2/10$\frac{5}{16}$ 2/10$\frac{8}{16}$	2/10$\frac{3}{16}$	2/10$\frac{5}{16}$	2/10$\frac{9}{16}$	1/10$\frac{13}{16}$	2/10$\frac{11}{16}$
4m/s ,,	—	2.10⅛ 2.10⅜	2/10⅜	2/10½	2/10¾	2/11	2/10⅞
T/T India	197.852	191 190½	190½	191½	193½	194½	193¾
T/T France	2,025.370	2075 2070	2070	2050	2080	2095	2100
T/T N. Y.	72.620	69⅜ 69⅛	69⅛	69½	70	70½	70¼
T/T Hong	77.986	77⅜ 77⅜	77⅜	77⅝	77⅜	77¼	77¼
T/T Japan	62.759	68¼ 68½	68½	68¼	67½	67	67¾
T/T Batavia	180.185	172 171½	171½	172	173¼	174¼	173¾
T/T Strats	80.662	82 82½	82¼	81¾	81¼	80½	80⅞
Bk's buying rates							
4m/s B/L. Cred. D/A	3/0.826	2/11⅛ 2/11	2/11⅛	2/11⅜	2/11⅝	2/11¾	2/11⅝
4m/s ,, D/P	—	2/11⅜ 2/11¼	2/11⅜	2/11⅝	2/11⅞	3/0	3/0
4m/s ,, D/A	3/1.201	2/11$\frac{7}{16}$ 2/11$\frac{5}{16}$	2/11$\frac{7}{16}$	2/11$\frac{15}{16}$	2/11$\frac{15}{16}$	3/0$\frac{1}{16}$	3/0$\frac{1}{16}$
4m/s B/F. C., D/A, D/P	2,110.370	2160 2150	2150	2140	2170	2185	2190
4m/s N. Y. Lc.	74.444	71¾ 71	71	71½	72¼	72½	72¼
4m/s ,, Does	—	71½ 71¼	71¼	71¾	72½	72¾	72½

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling. Bullion.	April 22	April 23	April 24	April 26	April 27	April 28
*London Price of Bar Silver per oz (English Standard 925 touch) Pence.	29¼	$29\frac{3}{16}$	$29\frac{7}{16}$	29⅝	29¾	29½
**N. Y. Price of Bar Silver per oz. (Pure)	G.$.63¼	G.$.63	G.$.63⅝	G.$.64	G.$.64	G.$.63⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).........	330^{20}	329^{40}	325^{90}	323^{50}	326^{20}	327^{80}
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111^{00}	111^{00}	111^{00}	111^{00}	111^{00}	111^{00}
Shanghai Mexican Dollars per $100...	71.75	71.70	71.775	71.725	71.675	71.75
Native Bank Rate of Interest (Call-money)	4%	4½%	3½%	4½%	4½%	4%
*Closing Priece in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	5%	London on Paris	T/T 145.63
Bank of France rate of discount	6%	New York on London	T/T 486$\frac{7}{16}$
London open Market of Dis. 3 ms/.	4$\frac{5}{16}$%	Bombay on London	T/T 1/5$\frac{13}{16}$
,, 4 ,,	4$\frac{5}{16}$%	Hongkong on ,,	T/T 2/2⅜
,, 6 ,,	4¼%	Kobe ,, ,, ,,	T/T 1/11⅞



What the Ships Carry between America and China

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S. S. Robert Dollar, March 25.

from U. S. of America.

Cotton, Raw..Bls. 700	Pls.	2,589
Asphalt	,,	87
Cement, for Roofing ..	,,	374
Wax, Paraffin	,,	2,011
Oil, Lubricating. Mineral	Galls.	14,018
,, Kerosene, in bulk	,,	109 895
,, ,, ,, Cases	,,	106,920
Paints, Unclassed	,,	575

S. S. Africa Maru, March 25.

To New Orleans.		
Hair, Human........	Pls	50
To Boston.		
Silk, Waste:		
Shanghai ...Bls. 12	Pls.	39.06
Other Ports.. ,, 240	,,	300.00
To New York.		
Silk, Raw, Steam Filature:		
,, other Ports ,, 60	,,	48.00
Yellow Hankow ,, 13	,,	13.16
,, other Ports ,, 19	,,	18.62
Silk, Raw, Filature:		
Wild, other Ports Bls. 100	,,	101.72
Silk Pongees, Honan..	,,	16.03
,, ,, Shantung	,,	2.88
Feathers............	,,	151
Sea Grass	,,	100
Skins, Lamb	Pcs.	5,182
,, Weasel	,,	12,920

S. S. Argun Maru, March 26.

From Buenos Aires.

Bones, Cow	Pls.	1,051

from U. S. of America.

Cotton, Raw, Bls. 2,702	Pls.	9,469
Iron Wire Defective ...	,,	284
Oil, Lubricating, ...	Galls.	45,059

S. S. President Cleveland, March 29.

from U. S. of America.

Cotton Piece Goods, Unclassed	Yds.	1,286
Antifriction Metal	Pls.	8
Iron Bars	,,	524
Leadfoil and Tinfoil....	,,	942
Fruits, Canned	,,	127
Leather, Sole	,,	727
Milk, Condensed	,,	1,440
,, Evaporated	,,	43
Newspapers, Old	,,	168
Oranges, Fresh	,,	595
Paper, Unclassed	,,	8
Soda, Sliciate of	,,	156
Sugar, Cube	,,	26
Tobacco, Leaf........	,,	5,426
,, Prepared	,,	7
Varnish	,,	84
Motor-cars	Pcs.	1
Lemons Fresh........	,,	126,600
Sardines, Canned	Doz.	600
Oil, Lubricating, Mineral	Galls.	4.995
Cigarettes	Mille	38,000
Treasure:		
Silver Bars....	Hk.Tls.	1,028,345

S. S. Niigata Maru, March 30.

from U. S. of America.

Milk, Condensed	Pls.	000
Newspapers, Old	,,	752

S. S. Wray Castle, March 30.

from U. S. of America.

Linen	Yds.	3,678
Woolen	Pls.	22
Leadfoil and Tinfoil...	,,	1,802
Iron Pipes	,,	449
Iron Galvanized:		
Bolts and Nuts	,,	17
Paper Coated	,,	1,067
Tobacco, Prepared....	,,	19
,, Leaf	,,	2,735
Wax, Paraffin	,,	5,203
Oil Lubricating, Mineral	Galls.	35,445
,, Unclassed	,,	500

S. S. City of Valencia, March 31

from U. S. of America.

Leadfoil and Tinfoil ..	Pls.	1,231

S. S. President Lincoln, March 31.

To San Francisco.		
Silk Piece Goods	Pls.	6.96
,, Pongees, Honan ..	,,	0.90
Tea, Green:		
Hyson, Shanghai ..	,,	2
Beans..............	,,	74
Books, Printed	,,	15
Brassware	,,	230
Brass Gongs & Cymbals	,,	19
Fire-crackers	,,	12
Intestines, Pigs', Salted	,,	15
Oil, Wood	,,	4,860
Wolfram Ore.........	,,	672
Turnips, Salted	,,	52
Woodware	,,	52
Shoes, Satin	Pairs	350
Carpets..........	Hk. Tls.	9,195

Foreign Goods

Touring Cars.....	Pcs.	1
To Los Angles.		
Silk Piece Goods	Pls.	0.97
Brassware	,,	19
To Portland,		
Walnuts, Kernels.....	Pls.	56
To Cleveland.		
Carpets	Hk. Tls.	635
To Providence.		
Silk, Waste:		
Other Ports,..Bls. 33	Pls.	100
To Philadelphia.		
Cotton, Waste.......	Pls.	81
Chinaware, Fine......	,,	11
Skins, Goat, Untanned	,,	255
Umbrellas, Paper	Pcs.	1,035
To Boston.		
Fire-crackers	Pls.	165
Intestines, Pigs', Salted	,,	9
Joss sticks	,,	13
Skins, Goat, Untanned	,,	1,159
To Leeds (via Boston).		
Silk Waste:		
Other Ports..Bls. 86	Pls.	100
To New York.		
Silk, Raw, Re-reeled:		
Wild, Shanghai Bls. 20	,,	19.90
,, other Ports ,, 175	,,	140.00
Silk Piece Goods	,,	7.18
,, Pongees, Honan..	,,	5.90
,, ,, Shantung.	,,	35.58
Bristles	,,	50
Egg Albumen, Dried ..	,,	84
Feathers	,,	74
Hair, Human	,,	83
Intestines, Pigs', Salted.	,,	101
,, Sheep's, ,,	,,	12
Skins, Goat, Untanned	,,	300
Soy................	,,	39
Turnips, Salted	,,	15
Fans, Paper.........	Pcs.	8,640
Hats, Rush	,,	22,800
Skin Mats, Dog......	,,	87
Skins Dog ....,.....	Pcs.	3,000
,, Lamb	,,	12,941
,, Marmot.......	,,	12,449
,, Weasel	,,	5,000
Umbrellas, Paper......	,,	1,740
Carpets	Hk. Tls.	10,807

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Our market during the greater portion of the past week evinced an easier undertone, and prices on spot cotton were easier with very small absorbing power evolving, in that spinners bought in parcels sufficient only to meet their immediate requirements. Taking into consideration the prices current in the local Cotton Exchange during the week under review and comparing same with the figures of the previous period a decline of Tls. 0.50 to Tls. 0.75 per picul at the close is observable.

As to the future trend of the domestic raw cotton market, there appears, at the moment, nothing on its horizon to encourage any bullish sentiment, in the face of the comparatively poor demand on the part of consumers in general against the heavy stocks of the staple stored locally.

Yarn:—Fluctuations in the yarn market during the early part of the week inclined on the easy side, but evinced a firmer aspect at the close of the week, and the net change in prices for the week shows a moderate decline. In all some 8000 to 9000 bales of various counts and chops of local products have changed hands for export.

Liverpool:—

American-Middling	**10.11**
,, -Middling last reported....	**10.16**

Tone of market, *Steady*.

Indian Market:—

Fully Good Bengal, May	251
Fine Oomra. May..............	314
Fully Good Broach, Apr./May..	338

Tone of the market:—*Steady.*

New York Market:—

Price of Mid-American.	18.90 Spot.
	18.62 May.
	18.10 July.
	17.33 Oct.
	16.96 Dec.
	16.86 Jan.

Tone of the market:—*Steady.*

Shanghai Market:—

Tungchow, spot ex wharf	Tls.	31.60
Shanghai, Spot......................	,,	31.25
M. Ginned, Spot	,,	31.75
Shensi, No. 1 Spot	,,	30.50
Ningpo, Spot.......................	,,	29.00

Tone of the market:—*Weak.*

WHO'S WHO
Among *Review* Advertisers

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Operators of the American Oriental Mail Line, freight and passenger Pacific service.

American-Oriental Banking Corporation 223
Banking and Investment service.

British-American Tobacco Company ....Back Cover
Manufacturers and distributors of Cigarettes and Tobacco.

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Continental railway (electrified.)

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Offering literature, political science and business courses

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Laou Kiu Luen Silk Company 232
Dealers in silk goods.

Liggett and Meyers Tobacco Company II
Manufacturers and distributors of cigarettes and tobacco.

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WHEN WRITING TO THESE ADVERTISERS KINDLY MENTION THE CHINA WEEKLY REVIEW

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as efficient on the large farms as on the small farms. Third, the large farms used tools and equipment one and one half times as efficiently as did the small farms.

4. Contrary to the general opinion, farm labor is not cheap; for labor constituted 76.3% of all expenses (excluding interest on capital invested) and hence must be used economically if receipts are to be increased. This large item of expense for labor is due to the hand methods used which allow only for small accomplishment in return for a day's work and to the bad distribution of work throughout the year which causes the farmer much idle time as well as certain periods when he is overworked.

The same holds true for animal labor, only in greater degree, as the animals worked only 24 efficient days throughout the whole year. The introduction of an animal irrigation pump would give animals more to do and at the same time release man labor for hoeing or other work.

5. A very large per cent of the capital, 87.9%, is invested in land and it follows that the investment in tools and equipment, buildings, and livestock is very small. The result is that hand labor takes the place of capital which might be invested in more efficient tools of production, that by-products such as straw must be stacked out-doors rather than in barns and that dependence must be put on vegetable products, such as cereals, for food rather than animal products.

6. In spite of the fact that the operators as a whole are not making wages when we place the farm on a strictly business basis, still they had an average of $395 a year for living purposes in addition to a house. This amount includes the value of the products used by the family from the farm. Nearly two thirds of this income is from interest on capital alone.

7. Good character (not gambling and drinking to excess), hard work, and progressiveness enable the part owners as a group to become the most successful farmers of this region. It is these farmers who are increasing the size of their farms by renting land in addition to what they own, sufficiently to give them a paying business.

8. Farm tenancy does not seem to present any serious problems other than that of keeping the land out of the hands of small owners. The per cent of tenants in this region is larger than the survey of the limited number of farms would indicate but the attendant evils so often present with the tenancy system were not found. One of the chief reasons is that the landlords do not seem to be the grasping kind and are content with a small interest, 2.5% on their investment The possession of land seems to be almost an end in itself.

9. Each farm family is raising enough products to support a little over two families, his own and one other. This raises the question of how much more than fifty per cent of the families in China are farm families. Undoubtedly a much higher per cent because a large quantity of agricultural products is shipped out of the country. However, the often estimated farming population of 80 to 85% of the total population should possibly be revised to read "rural population," thus including rural artizans and those engaged in transportation, such as wheelbarrow men, carters and boatmen.

10. Population seems to have reached the saturation point, for emigration is taking place toward the nearby and more sparsely settled districts. The density of population was 886 per square mile of land in farms for the 102 farms. However, at Mahu, not far away, the density was 1,280 per square mile of land in farms for fifty-one farms. The writer is of the opinion that the latter figure would more truly represent the Wuhu district as a whole. More intensive methods of farming are very difficult because the soil is primarily adapted to rice and this crop is already being grown quite intensively. The only possible way the region might support a larger population would seem to be the development of industry.

The April number of "The Oriental Engineer," the journal of the Association of Chinese and American Engineers, contains some interesting material chief of which is "Old Wine In New Bottles," describing various types of Chinese buildings made of concrete. Others are: "Classifying Chinese Coals," "Industrial Standard-ardization" and "The Alchemist's Dream."